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Japan

Kaifu To Ask PRC To Support Arms Register

OW0608060191 Tokyo KYODO in English 0535 GMT 6 Aug 91

[Text] Hiroshima, Aug. 6 KYODO—Prime Minister Toshiki Kaifu said Tuesday that he will ask China to support a Japanese proposal for a United Nations register of all arms sales when he visits the country August 10-13.

"I will convey Japan's way of thinking to Chinese leaders, including Premier Li Peng, and want to get understanding and cooperation on it during my visit to China," Kaifu said.

Kaifu, who was here to attend the 46th anniversary of the atomic bombing of the city, praised China for its participation in a U.N. conference last month in Paris which discussed reducing the flow of arms to the Middle East.

At last month's London Economic Summit, the leaders of seven major industrial nations pledged to work for the introduction of a U.N.-led universal register of arms transfers to prevent a repeat of the Persian Gulf crisis.

China has admitted to supplying Pakistan with M-11 missiles, which Washington feels have capabilities that exceed Missile Technology Control Regime (MTCR) guidelines.

The 1987 guidelines were established by major industrial nations to curb the export of missiles capable of carrying nuclear payloads more than 300 kilometers.

Commenting on the issue of relief for Korean A-bomb survivors, Kaifu said the government will study possible aid.

Hiroshima Mayor Takashi Hiraoka delivered a petition to Kaifu calling for furthur aid for A-bomb victims. He asked Kaifu to host an international conference on peace and disarmament in Hiroshima.

Tokyo Wants Trade Talks Before Bush Visit

OW0608141591 Tokyo KYODO in English 1233 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 (KYODO)—Japan wants U.S. Trade Representative Carla Hills and Agriculture Secretary Edward Madigan to visit Japan for talks on global trade before President George Bush's visit, a Foreign Ministry source said Tuesday.

Bush reportedly has said he would visit Japan in late November.

The source said Tokyo is willing to discuss a variety of trade issues, including Japan's ban on rice imports, with the U.S. trade officials as an end-of-the year deadline for the Uruguay Round of global trade talks is nearing.

Agriculture has been a major stumbling block in progress in the Uruguay Round, which is being sponsored by the General Agreement on Tariffs and Trade to draft new rules on free global trade.

The source said Japan is also willing to hold a cabinet-level meeting between the two countries as agreed upon before Bush's visit.

Tokyo and Washington earlier agreed on such a meeting, involving foreign and defense ministers, to strengthen mutual security and foster political relations.

Manufacturers Rebutt U.S. Claims of Imbalance

OW0508145391 Tokyo KYODO in English 1432 GMT 5 Aug 91

[Text] Tokyo, Aug. 5 (KYODO)—The Japan Automobile Manufacturers Association (JAMA) Monday released a rebuttal to recent U.S. data indicating the auto parts trade imbalance between the two countries might double by 1994 in Japan's favor.

The report was compiled by JAMA with the help of a New Jersey- based market research arm, Lang Marketing Resources Inc. in an attempt to criticize "the U.S.-Japan automotive 1994 trade deficit," which was conducted in May by the University of Michigan for the U.S. the Office for the Study of Automotive Transportation (OSAT), a government advisory panel.

The OSAT report was used by U.S. negotiators during bilateral trade talks on auto parts held last month to urge Japan to narrow the trade gap.

The University of Michigan study forecasts that imports of automobile parts from Japan by the U.S. will rise from the 1990 level of 11.4 billion dollars to 25.7 billion by 1994, in which aftermarket use of Japanese imported parts is predicted to total 14 billion dollars.

The University of Michigan report is based on a false assumption that all Japanese auto parts imported into the U.S. are used in Japanese factories there. But U.S. makers are also using Japanese car parts, the JAMA report said.

Japanese-affiliated automobile manufacturers are using U.S.-made parts as well as those produced in other countries, it said.

"These misestimations" only for aftermarket use of Japan imported parts "could exceed 7 billion dollars," it said.

But the report does not attempt to forecast the overall impact of Japanese vehicle production and sales in the U.S. market on the trade balance.

The JAMA report said its findings show the U.S. study was designed to justify OSAT's political role in the auto trade issue.

Kaifu Meets Mongolian Envoy, Discusses Visit

OW0608121091 Tokyo KYODO in English 1108 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—Mongolian Ambassador to Japan Daramyn Yondon met with Prime Minister Toshiki Kaifu on Tuesday and expressed hope that Kaifu's visit to Ulaanbator next week will help his nation to overcome economic difficulties as it shifts to a free market system, a Foreign Ministry official said.

Noting that Kaifu will be the first leader of a major industrialized nation to visit Mongolia, Yondon said that he regards the August 13-14 trip as a demonstration of Japanese support for Mongolia's economic and political reforms, the official said.

"Your visit will be a historic event," Yondon was quoted saying in a courtesy call before leaving for home, where he will meet Kaifu.

Kaifu told Yondon that he looks forward to frank discussions with President Punsalmaagiyn Ochirbat.

Mongolia, a large land-locked nation of 2 million people, emerged from 70 years of single-party communist rule to hold its first multiparty elections last year.

However its economy has been rapidly declining since commercial ties with the Soviet Union, once its main supplier of energy and industrial products, were mostly severed following economic upheaval in the Soviet Union.

Soviet Doctors Receive Training in Hiroshima

OW0608112691 Tokyo KYODO in English 1042 GMT 6 Aug 91

[Report by Miu Oikawa]

[Text] Hiroshima, Aug. 6 KYODO—For decades, this Japanese city has been telling the world about the horrors of nuclear war. And now it is also sharing its knowledge to help the victims of other nuclear disasters.

On Tuesday, the 46th anniversary of the city's atomic bombing, Hiroshima pledged in a "peace declaration" to take the initiative in international relief efforts for the victims of the April 1986 Chernobyl power plant accident and other nuclear disasters.

Doctors in Hiroshima, which lost 140,000 people in the August 6, 1945, U.S. atomic bombing, probably know as much about the human toll of radiation as anyone in the world.

In April, the prefectural and municipal governments set up an organization to send Japanese doctors abroad to treat victims of nuclear radiation and to bring foreign doctors to Japan for training.

Since then, the group has received five Soviet organizations and 17 doctors.

Soviet doctors now in Hiroshima for annual ban-the-bomb meetings said they are eager for help from Japan.

But "just giving money or sending equipment is not useful," said Vladimir Popov, a member of the International Physicians for Prevention of Nuclear War (IPPNW). Doctors need proper training first, he said.

"If some children from Chernobyl came to Japan, it would be big news," Popov said. "But who will take care of all the other children back home?

"But if we send five physicians with the same amount of money, they could cure dozens or hundreds of children when they go back and, at the same time, teach other local physicians."

Popov, 29, told KYODO NEWS SERVICE that equipment is poorly managed in the Soviet Union, while drugs and other goods sent from overseas sometimes disappear on the way because of turmoil in the country.

He said other countries should be "careful and reasonable," taking the Soviets' problems into account, when they provide aid.

But Popov said Japan and the Soviet Union can work out a lot of problems because of the two countries' similar experiences.

"What happened to Hiroshima was a terrible thing, a sadistic experiment," he said. "It is a pity but we also have such experiences in the Soviet Union, not only the Chernobyl accident but nuclear testing in Semipalatinsk and other accidents."

Soviet officials continue to insist that only 31 people were killed as a result of the Chernobyl accident.

But many Soviet and Western experts estimate that at least 500 and possibly as many as 7,000 people have died of cancer and other diseases caused by the accident.

Peter Karl Grimm from Estonia, a measurement engineer who took part in the Chernobyl cleanup, said the area needs foreign assistance to recover.

"Medicine is in very short supply and it would be a tremendous help if our doctors could receive training abroad," he said.

Grimm said the Estonian Chernobyl committee, to which Popov also belongs, is tackling the social and mental problems of young men who have fallen ill after being exposed to radiation in the cleanup.

"We have to deal with such issues because nobody else will," he said.

Aviar Eduard Tilk, a cancer specialist from Estonia, said suicides are increasing among those who joined the cleanup operation.

"Mental disorders, including depression and alcoholism, are seen among those men," he said, because the inexperienced doctors "told the men they did not what would become of them."

Popov said doctors have the responsibility to tell people what could happen to the world if their governments don't stop building and testing nuclear weapons.

"There is a lot of talk about nuclear tests, but first of all, we must remember that it is human beings who suffer," he said. "Physicians bear a special responsibility for telling the truth to the general public. Just as the church takes care of souls, so do physicians take care of the bodies."

Popov said the Soviet committee of the Nobel Peace prize-winning IPPNW, established to investigate the health and environmental effects of nuclear weapons production and testing, is seeking to organize a group of young scientists to gather reliable information.

"For so many years, information was hidden and classified. We want to accumulate information and make it public so that everybody will know what is going on in our country."

The group is also planning to send physicians, including two from the Chernobyl area, to Hiroshima for two or three months to learn from Japan's experience, he said.

Ministry Says War Reparations Issue Resolved

OW0508081091 Tokyo KYODO in English 0626 GMT 5 Aug 91

[Text] Tokyo, Aug. 5 KYODO—A Foreign Ministry official on Monday told a group of representatives of foreign citizens' groups seeking redress for Japan's wartime activities that the question of reparations has already been resolved.

"It's to be hoped war never happens again, but the question of compensation has already been resolved," the ministry's Asian Affairs Bureau Councilor Kazuyoshi Urabe told the group when they called at the ministry.

The 12-member group, representing seven countries in the Asian region, attended the two-day international forum on war reparations in Tokyo which concluded Sunday.

Japan brought an estimated one million Koreans to Japan for forced labor between 1939 and 1945, along with smaller numbers of Chinese and Taiwanese, and conscripted millions more for work around Asia and the Pacific.

But Japan paid compensation to a number of Asian countries in compliance with postwar treaties that are generally interpreted as relieving it of further responsibility for reparations to those countries.

Hiroshima Marks 46th Anniversary of Bombing

OW0608011391 Tokyo KYODO in English 0059 GMT 6 Aug 91

[By Miu Oikawa]

[Text] Hiroshima, Aug. 6 KYODO—Hiroshima Mayor Takashi Hiraoka offered an apology for Japan's wartime aggression in Asia as the nation observed the 46th anniversary of the atomic bombing of the city Tuesday.

An audience of about 55,000 people, many dressed in black, gathered at the Hiroshima Peace Park under fair skies to pay respect to those who died on the day 46 years ago.

"Japan inflicted great suffering and despair on the peoples of Asia and the Pacific during its reign of colonial domination and war. There can be no excuse for these actions," Hiraoka said in a "peace declaration."

"Remembering all too well the horror of this war, starting with the attack on Pearl Harbor and ending with the atomic bombings of Hiroshima and Nagasaki, we are determined anew to work for world peace," he said.

Prime Minister Toshiki Kaifu was among those present. Many government officials and foreign dignitaries also attended the memorial service.

Lee Sil Gun [name as received], head of an organization of Korean atomic bomb victims in Hiroshima Prefecture, said he wanted the mayor to make a clearer apology but said it nevertheless eased the heavy feeling he had over the matter for a long time.

Bells tolled at 8:15 A.M., the exact moment of the bombing on August 6, 1945, as officials, atomic bomb survivors, and citizens bowed their heads in a one-minute silent prayer.

Before the minute's silence, Hiraoka placed in front of the memorial monument a list of names of 4,787 "hibakusha," or atomic bomb sufferers, who had died in the past year, bringing the total number of those confirmed dead to 172,024.

The atomic bombing of the city killed an estimate 140,000 people in Hiroshima and 70,000 in Nagasaki by the end of 1945.

Hiraoaka, following the minute of silence, addressed the audience, urging the government to promote support for atomic bomb victims around the world, including those from the Korean peninsula and the United States, and pledged that Hiroshima would take an initiative in the international relief effort.

Nagasaki Mayor Hitoshi Motoshima has since 1989 apologized on the occasion of the Nagasaki atomic bombing anniversary for Japan's past aggression, but Tuesday was the first time for the Mayor of Hiroshima to do so.

As a symbol of peace, some 1,500 doves were released over the park, which is located just under the place where the atomic bomb exploded in the air on that August morning.

Kaifu, in his speech, welcomed the recent signing of the Strategic Arms Reduction Treaty (START) by the United States and the Soviet Union, and pledged that the Japanese Government will continue to make diplomatic efforts to acnieve world peace and arms control.

He noted that the London Summit of Seven Major Economic Powers had endorsed a Japanese-proposed international register of weapons transfer and vowed to strive to prevent proliferation of weapons of mass destruction.

The ceremony came to a close at around 8:50 A.M. with the singing of a Hiroshima peace song.

Kaifu will not attend the August 9 ceremony in Nagasaki because of obligations at the extraordinary Diet session which began Monday, government officials said.

Meanwhile, an antinuclear group appealed Tuesday for legislation to help atom-bomb survivors both at home and abroad.

The Japan Congress Against Atomic and Hydrogen Bombs (Gensuikin) issued the "Hiroshima appeal" at the close of its three-day antinuclear meeting Tuesday.

The Gensuikin group, which is backed by the country's biggest opposition party, the Social Democratic Party, also vowed to oppose Japan's military buildup and the sending of Self-Defense Forces (SDF) troops abroad.

Reportage on Securities Scandal Continues

Hashimoto To Resign

OW0508234291 Tokyo KYODO in English 2330 GMT 5 Aug 91

[Text] Tokyo, Aug. 6 KYODO—Finance Minister Ryutaro Hashimoto will resign at the end of this month following revelations that his secretary was involved in a bank loan fraud, the mass-circulation YOMIURI SHIMBUN reported Tuesday.

Quoting "sources in the government and the ruling Liberal Democratic Party (LDP)," the YOMIURI said Hashimoto will resign at the end of this month after working out a package of measures to prevent a recurrence of widening brokerage and bank scandals.

The newspaper said he has decided to quit to take responsibility for the series of financial scandals and also for the involvement of his secretary in a fraudulent bank loan arrangement.

Hashimoto is determined to step down in late August after his ministry completes a draft bill to revise the securities and exchange law and an overhaul of the ministry's brokerage and bank inspection system, it quoted the sources as saying.

On Monday, Prime Minister Toshiki Kaifu implied that Hashimoto would remain in his cabinet, despite the revelation that Toyoki Kobayashi, the secretary and manager of Hashimoto's Tokyo office, was deeply involved in a scandal involving the issuing of false documents by Fuji Bank, one of Japan's top commercial banks.

Hashimoto apologized to Kaifu on the telephone Saturday for the involvement of his secretary in the Fuji Bank loan scandal, according to Chief Cabinet Secretary Misoji Sakamoto.

Hashimoto admitted at a press conference on Saturday that Kobayashi, 50, had asked a former official of Fuji Bank's Akasaka branch, Minoru Nakamura, 38, to arrange loans for two of Hashimoto's acquaintances and a company.

Nakamura has admitted issuing false deposit certificates for use as collateral to help 23 of the bank's clients secure some 260 billion yen in loans from nonbank financial institutions.

During a session of the House of Representatives' Finance Committee on July 25, Hashimoto said he would not resign despite the widening securities scandal.

Japan's 17 largest brokerages have admitted paying a total of 172 billion yen between October 1987 and March 1990 to 608 organizations and nine individuals—all large-lot investors—to compensate them for their stock and bond market losses.

No small-lot investors are known to have received similar reimbursements. Some clients received reimbursements from more than one brokerage. These investors suffered losses in the stock market crash in late 1987 and again in early 1990.

Obuchi Denies Hashimoto Resignation

OW0608035691 Tokyo KYODO in English 0340 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—Keizo Obuchi, secretary general of the ruling Liberal Democratic Party [LDP], on Tuesday denied a newspaper report that Finance Minister Ryutaro Hashimoto will resign later this month.

Obuchi told a news conference that he has heard nothing about whether Hashimoto is resigning.

Obuchi said he is encouraging Hashimoto to perform his duties as finance minister, who he said is responsible for matters concerning securities companies and banks.

A major Japanese daily, the YOMIURI SHIMBUN, reported in its Tuesday morning edition that Hashimoto will resign in late August after working out a package of measures designed to prevent a recurrence of the recent brokerage and bank scandals.

There has been speculation that Hashimoto might quit his post following the resignation over the weekend of one of his secretaries, Toyoki Kobayashi, in connection with his involvement in a bank loan scandal.

Kaifu Proposes 'Watchdog Body'

OW0608133891 Tokyo NHK General Television Network in Japanese 0300 GMT 6 Aug 91

[Text] Prime Minister Kaifu held a news conference after attending a ceremony in Hiroshima City. In the news conference, the prime minister indicated his positive attitude toward creating a third party watchdog body to prevent a recurrence of a series of recent stock scandals.

[Begin Kaifu recording] We should work to streamline the present stock market and, if necessary, to create a third watchdog body to increase the transparency on the stock market. Therefore, I am asking the Provisional Council on Administrative Reform to study measures to streamline the stock market and increase its transparency. [end recording]

Thus, the prime minister indicated his positive attitude toward creating a new watchdog body. Commenting on measures that the Finance Ministry is presently studying to prevent the recurrence of the recent stock scandals, the prime minister indicated that the Finance Ministry and other ministries in charge of overseeing the stock market should complete their study of measures as soon as possible, saying that we have to reflect on the stock scandals ourselves and draw a conclusion on how to prevent the recurrence of such scandals, taking into account various positions.

Scandal To Delay Reform

OW0608022591 Tokyo KYODO in English 0152 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—The outbreak of the brokerage payout scandal is likely to delay implementation of the Finance Ministry's financial reform plans for another year, industry sources said Tuesday.

Legislation revamping the nation's financial system, allowing brokerage houses and banks to enter each other's areas of business, were to be submitted and approved at an ordinary session of the diet at the end of the year and implemented in 1993.

The ministry's banking and securities bureaus were to hammer out legislation based on reports prepared by two of its advisory panels—the Financial System Research Council and the Securities and Exchange Council.

But the need for the ministry to deal with the brokerage scandals has made presenting a revision of the securities and exchange law to an extraordinary session of the Diet a more pressing concern.

The banking and securities bureaus have not been able to begin drawing up financial reform legislation, which was to be started in August.

The ministry has also been unable to coordinate its reform plans with the Fair Trade Commission, which is a prerequisite in moves to allow banks and brokers to enter each other's businesses through wholly owned subsidiaries.

LDP Panels Question Bodies

OW0608050291 Tokyo KYODO in English 0442 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—Three panels of the ruling Liberal Democratic Party (LDP) on Tuesday questioned officials of seven public organizations about compensation the bodies have received from securities companies for investment losses.

The LDP's finance division, its investigation committee for the finance and banking systems, and the committee on the securities industry held a joint meeting to question executives of the Pension Welfare Service Public Corp., six other organizations, and their supervising government offices on the issue.

The officials of the public organizations told the meeting that they never demanded compensation from securities companies for investment losses and that they were unaware they were being compensated for such losses by the companies.

The panels are expected to seek additional information from the Finance Ministry's Securities Bureau on the ministry's "administrative guidance" to securities companies and from the Japan securities dealers association on procedures on compensation to clients.

Association Fines Firms

OW0608110291 Tokyo KYODO in English 0851 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—The Japan Securities Dealers Association announced Tuesday it fined 13 mid-sized securities firms for compensating large-lot clients for securities transaction losses.

Officials said the act of compensation is a violation of the association's rules.

Firms that reimbursed 1 billion yen or more were fined 5 million yen and those that rebated less than the amount were fined 3 million yen.

Kankaku, Kokusai, Sanyo, New Japan, Dai-ichi, Tokyo, and Wako securities companies will pay 5 million yen each. Okasan, Taiheiyo, Toyo, Marusan, Mito and Yamatane securities companies will pay 3 million yen each.

The association also requested the firms to report within a month what they can do to restructure their internal management control.

Agency To Survey Water for Carcinogens

OW0308041491 Tokyo KYODO in English 0335 GMT 3 Aug 91

[Text] Tokyo, August 3 KYODO—The Environment Agency said Saturday it plans to survey underground water sources throughout Japan to determine the level of possible carcinogenic chemicals.

The agency is concerned about concentrations of diethylhexyl phthlate (DOP), a type of phthalic ester shown to cause cancer in laboratory animals in the United States.

DOP is widely used in Japan to make vinyl chloride products because it adds flexibility, but United States Government studies indicating it is carcinogenic have ignited concern here about its presence in the environment and its affect on health.

The U.S. Environment Protection Agency is said to be considering a strict limit on DOP of four parts per billion (4 ppb) in drinking water.

The Japanese Health and Welfare Ministry also has decided to revise guidelines on the quality of water to include a stricter permitted level of DOP, which is suspected of causing kidney and liver damage.

The agency's survey will look at underground water supplies in a number of locations with the help of local authorities and try to determine the density of DOP in the water.

U.S. investigators have discovered concentrations as high as 5.8 parts per million (5.8 ppm) in the underground water near waste burial sites. Japanese environment officials suspect their own survey may uncover similar dangerous concentrations.

Japanese industry produces about 300,000 tons of DOP annually to make a variety of vinyl chloride products for household and agricultural use, and bags and tubes for medical purposes.

Surveys in 1975 discovered growing concentrations of DOP in samples of water and rice.

Some reports then said a leading source of DOP was from toys made of vinyl that melted, leading some officials to warn that it could become a second PCB or polychlorinated biphenyl, a widespread and highly toxic compound.

An agency survey then, however, did not reveal a high enough concentration of DOP to be considered dangerous, so the agency left it unregulated.

In 1982, another agency survey found concentrations of 18 ppb in some places and noted higher concentrations in the mud along rivers, but a nationwide survey was never done.

Phthalate ester is suspected in the deaths of some U.S. servicemen during the Vietnam war who received blood transfusions and later died after showing symptoms of shock. It was suggested the chemical, which dissolves relatively easily, may have been in blood that had been stored in vinyl bags.

North Korea

Pomminnyon Says South Obstructing Rally

SK0308071491 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 26 Jul 91

[Text] The North side's headquarters of the Pan-National Alliance for National Reunification [Pomminnyon] issued a letter of protest condemning the South Korean authorities' obstruction of the pan-national rally for 1991 and their suppression of members of the preparatory committee for forming the South side's headquarters of Pomminnyon. The protest letter reads:

A letter of protest against the South Korean authorities:

The South Korean authorities' base maneuvers to obstruct the convocation of the 15 August Seoul pan-national rally, which have been perpetrated despite the strong protests and condemnation of all compatriots in the North and the South and overseas, have aroused unanimous indignation among all fellow countrymen.

As for the Seoul pan-national rally, it was agreed upon and decided by the patriotic forces for reunification in the North and the South and overseas in the meeting of working-level representatives from the North, the South, and overseas last year in Berlin, and it was confirmed again at the first preparatory meeting for the Seoul pan-national rally held in Berlin last June. Therefore, it is a grand festival of national unity and national reunification to accelerate a grand national reunification march to achieve reunification in the 1990's.

If and when a pan-national rally is splendidly held in Seoul in confirmity with the aspirations and desire of the nation on the occasion of the anniversary of the national liberation of 15 August, a new aspect will be opened, without doubt, in further enhancing the fever of national reunification and in achieving reunification in the 1990's.

We, the North side's headquarters of Pomminnyon, attaching great significance to the Seoul pan-national rally, not only have accelerated preparations for the rally with compatriots at home and abroad, but have also made every sincere effort to make the rally a great, joint national festival. Furthermore, we have shown great generosity in realizing the proposal for grand reunification march made recently by the South Korean authorities within the frame of the pan-national rally, though it did not proceed from a sincere intent.

However, far from responding to and cooperating with such efforts of ours for peace and reunification and the entire nation's zeal for reunification, the South Korean authorities not only have strengthened the suppression of members of the preparatory committee for forming the South side's headquarters of Pomminnyon, which will promote the Seoul rally, but have also hindered the work of preparing the rally. Thus, they have perpetrated the brazen-faced act of creating all sorts of obstacles to holding the rally.

The South Korean authorities not only went so far as to arrest at the airport the South side's representatives who were returning home after attending the working-level meeting in Berlin and to put them into jail, but are also now perpetrating the suppressive act of arresting, imprisoning, and chasing those Pomminnyon members who are accelerating the preparations for the Seoul pan-national rally. The South Korean authorities blocked the South side's representatives from attending the preparatory meeting for the pan-national rally for 1991 held in Berlin last June. They also did not allow representatives of our side and the overseas compatriot delegation to attend the second preparatory meeting for the 15 August pan-national rally which was to be held on 18 July in Seoul. As a result, the second preparatory meeting was unable to be held in Seoul as scheduled.

While expressing our regret at such an unwarranted attitude of the South Korean authorities toward the pan-national rally, we advised them not to assume such an attitude again and then presented the flexible proposal that a preparatory meeting be held between representatives of Pomminnyon and representatives from the authorities on 25 July.

However, the South Korean authorities perpetrated the haughty and insolent act of ignoring our sincerity and rejecting contacts with us. Furthermore, branding Pomminnyon, a patriotic organization for reunification, as an illegal organization, the South Korean authorities, who have regarded Pomminnyon as a thorn in their side, arrested and imprisoned Reverend Mun Ik-hwan, chairman of the preparatory committee for forming the South side's headquarters of Pomminnyon, and other personages of the committee. Thus, the South Korean authorities perpetrated, without hesitation, the act of blocking the South side's headquarter of Pomminnyon from being formally inaugurated on 20 July.

Such maneuvers of the South Korean authorities are a calculated and deliberate criminal act designed to frustrate the Seoul pan-national rally, to suppress patriotic forces for reunification, and to block the development of the people's reunification movement.

The North's headquarters of Pomminnyon sternly condemns the South Korean authorities' maneuvers to obstruct the pan-national rally and their brutal suppression of members of the preparatory committee for forming the South side's headquarters of Pomminnyon, recognizing them as an intolerable challenge to the aspiration and desire of the entire nation for reunification and as an antireunification and antinational crime which opposes the country's reunification and seeks only division.

At a time when the day of the pan-national rally is drawing near, all of the compatriots who want a successful holding of the rally and the formation of the South side's headquarters of Pomminnyon are keenly watching the attitude of the South Korean authorities. The North side's headquarters of Pomminnyon strongly declares that if the persons in authority of South Korea want to escape the destiny of the previous dictators, one who was overthrown by the people, one who was shot to death by the people, and one who was forced to go to Paektam Temple, they should renounce the criminal act of challenging the entire nation's desire for reunification and should implement the following points:

First: The South Korean authorities should liquidate the fascist political situation dominated by security affairs and abolish the National Security Law, the antireunification law. They should unconditionally guarantee free contacts among the people from all social strata in the North and the South and overseas, the masters of the reunification festival.

Second: The South Korean authorities should stop suppressing members of the preparatory committee for forming the South sides' headquarters of Pomminnyon and unconditionally release those concerned with Pomminnyon and those patriots who have been illegally imprisoned.

Third: The South Korean authorities should guarantee, without delay, the conditions necessary for holding the pan-national rally for 1991 and the great reunification festival of youths and students.

If the South Korean authorities continue to suppress Pomminnyon and to hinder preparations for the pan-national rally in defiance of the unanimous protest and condemnation of the people at home and abroad, they will assume total responsibility for all consequencies arising therefrom.

26 July 1991

The North side's headquarters of Pomminnyon

Reunification Through National Unity Urged

SK0608121791 Pyongyang KCNA in English 1026 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—The line of great national unity clarified by the great leader Comrade Kim Il-song in his historical work "Let Us Achieve the Great Unity of Our Nation" is a highly important guideline which gives perfect answers to the theoretical and practical questions in the solution of the national reunification question and a great programme and inspiring banner which shows all the fellow countrymen a shortcut to reunification and makes them optimistic about the future of reunification, says NODONG SINMUN today in an editorial entitled "Highly Important Guideline for National Reunification Through Great National Unity."

The editorial reads in part:

In the work the great leader Comrade Kim Il-song stressed that whether they are in the North or South or abroad, whether they are workers, farmers, intellectuals, youths, students, politicians, businessmen, religious community members, soldiers, the Koreans must all unite and strive to achieve the reunification of the country, the common cause of the nation, and gave an overall exposition of the principles and tasks of achieving great national unity.

His work is of epoch-making significance in achieving great unity of the whole nation which aspires to reunification and thereby strengthening the driving force of national reunification and accelerating national reunification with the overwhelming superiority of the pro-reunification forces.

Comrade Kim Il-song has said:

"Great national unity is a fundamental precondition for the achievement of the independent and peaceful reunification of our country, as well as its essential content. The first and foremost task in the cause of national reunification is to achieve the great unity of our nation."

Strengthened great national unity is the most proper cornerstone and decisive guarantee of national reunification which reflects the truth of the chuche idea, the revolutionary idea of Comrade Kim Il- song that we can emerge victorious in whatever movement only when we strengthen the driving force and increase its role.

The concept that great national unity should be achieved to reunify the country is a brilliant summing-up of the wise guidance, exploits and precious experience of Comrade Kim Il-song who has led the revolution and construction along the road of victory, placing the interests of the nation above anything else and relying on the united strength of the people.

The task of achieving the reunification of the country through great national unity advanced by Comrade Kim Il-song is the most correct and realistic way of national reunification either in view of the essence of the reunification question and the universally recognized truth of the revolution, or in view of the patriotic traditions of our people as a homogeneous nation and their experience, or in view of the cherished desire of the fellow countrymen.

His idea of great national unity reflects his warm love and boundlessly broad-minded intention to stand our nation together in the square of reunification with due pride, as well as his steadfast determination to surely realize the cherished desire of the nation at an early date by strengthening the driving force of reunification and isolating a tiny handful of traitors.

The editorial calls upon all the fellow countrymen in the North, South and abroad to uphold the line of great national unity clarified by Comrade Kim Il-song and come out more vigorously to implement it.

Daily Reports on 'Dictatorial Force' in South

SK0308113291 Pyongyang KCNA in English 1022 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—MINJU CHOSON today charges that the hardcore elements of the "Fifth Republic", the fascist dictatorial force of former autocrat Chon Tu-hwan of South Korea, are active to enter upon political careers again.

According to a report, Chon Chae-kuk, the eldest son of dictator Chon Tu-hwan of the "Fifth Republic", opened an "election measure office" to run for the "National Assembly elections" to be held next year and Chang Se-tong, the one time "director of the Security Planning Board," and 50 other ultra-rightist gangsters are active to stand for the "National Assembly Elections".

And Chong Ho-yong, a military gangster who turned Kwangju into a bloodbath and is now residing in the United States, openly expressed his willingness to return to South Korea at the beginning of next year and to concern himself with political affairs.

This clearly shows that like a pack of wolves flocking together from hiding, the tie-up between the dictatorial forces of the "Fifth Republic" and the "Sixth Republic" has reached a very dangerous stage, the paper in a signed commentary says, and continues:

No Tae-u's conspiracy with the dictatorial force of the "Fifth Republic" irrefutably proves that he is the same military hooligan as Chon Tu-hwan, the twin that came up from the same root of a poisonous plant.

This only discloses that his advertisement about "liquidation" of the "Fifth Republic legacies" and "democratic development" is a sheer lie.

Report on Solidarity March for Reunification

SK0608052191 Pyongyang KCNA in English 0442 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—International solidarity march for supporting the Korean people's cause of national reunification is going on amid the active support and great concern of the world people.

This march has been started since the extraordinary meeting of the members of the leadership body of the international liaison committee for reunification and peace in Korea held in Paris in February last decided to widely conduct the "international solidarity march for supporting Korea's reunification" in various forms and ways and sent an appeal to the governments, political parties, public organisations of all countries and international organisations. Many political parties and organisations of more than 60 countries and international and regional organisations have since participated in the March.

This worldwide march is expanding and developing into an organised massive movement with the participation of heads of party and state, parliamentarians, a large number of political parties and organisations and people of all walks of life.

Officials of some 70 political parties and organisations, parliamentarians and people of all strata, 8,000 in all, attended the starting ceremony of the "international solidarity march for supporting Korea's reunification" and a demonstration which were held in New Delhi.

Delegations and delegates of 71 youth and student organisations of 61 countries on the five continents and international and regional organisations, which had participated in a special meeting of the international union of students in (?Prahue), signed the signature paper on behalf of their organisations, and 70 million people participated in the signature campaign in India and 5 million people in Peru.

Those who signed the signature paper in various countries numbered 150 million in the last few months.

Letter for N-S Educators Meeting Read on Radio

SK0308031491 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 31 Jul 91

[Text] Because the South Korean side refused to convey a letter to South Korea's National Teachers' Union [Chongyojo] from the chairman of the Korean Trade Union of the Educational and Cultural Workers Central Committee, Yi Song-ho, acting chairman of the DPRK Red Cross Society Central Committee, had no choice but to air the letter's contents via broadcast on 2 August.

The letter reads:

To Yun Yong-kyu, chairman of the National Teachers' Union:

The Korean Trade Union of the Educational and Cultural Workers Central Committee is sending this letter to you to reflect the desire to have the will and resolve of the educators join in the great march of the fellow countrymen to achieve national reunification before the end of the nineties.

As you may know, a nationwide struggle is being vigorously waged in the North and South and abroad to greet the 15 August anniversary of national liberation as a great joint national festival for reunification.

The preparations for the 15 August pan-national meeting in Seoul, which have been promoted actively by the Pan-National Alliance for National Reunification [Pomminnyon], are now being successfully carried out in all directions. Even the youth and students in the North and South and abroad, holding a working tripartite meeting abroad, the first of its kind since the country was divided, have reached an agreement on a host of issues concerning the preparations for the great 15 August festival of the youth and students for national reunification. They then declared to the world their joint determination to implement the decisions at any cost.

It was out of a desire to stay in step with the fellow countrymen's burning desire for national reunification that was surging ahead extraordinarily for us to accept your organization's proposal last year for a pan-national meeting of educators for reunification.

However, despite the two sides' serious effort, a working contact between the North and South delegations for a 15 August pan-national meeting of educators for national reunification has not been realized yet as a result of the South Korean authorities' repeated obstructive efforts.

Today, when all the fellow countrymen have turned out to bring an end to the nation's division and usher in a bright morning of reunification, and when our disciples are engaged in a just struggle for national reunification, even laying down their one and only lives, we find it hard to accept that we, the educators in the North and South, have no choice but to remain mere spectators, let alone sitting together.

As the forerunners of the times, we the educators bear a heavy duty to bring up the new generations as wonderful mainstays of the struggle for national reunification.

Determined as we are to realize our noble will for national reunification, which we have sworn before the nation, at any cost, we have resolved to hold the 15 August pan-national meeting of educators proposed by your organization at all costs. Proceeding from this view, we express our hope for holding a preliminary meeting for the 15 August pan-national meeting of educators for national reunification in early August.

As for the specific date and place for the preliminary meeting, we are willing to accept your side's decisions.

We are convinced that the educators, members of your organization, who are loved and enjoy sympathy from South Korean people from all social strata and youth and students, will come, without fail, to the preliminary meeting with a firm will for and a faith in reunification, no matter how treacherous the meeting between the educators of the North and South may turn out to be.

In expressing noble respects to you, we wait for an affirmative answer from your side.

Choe Kum-sun, chairman of the Korean Trade Union of the Educational and Cultural Workers Central Committee

31 July 1991

Dissident Council for Education Reported in South

SK0508151991 Pyongyang KCNA in English 1501 GMT 5 Aug 91

[Text] Pyongyang August 5 (KCNA)—An all-citizen measure council for correct education was reportedly formed in Pusan, South Korea, on July 16.

It comprises some 20 dissident and social civic organizations in Pusan including the Pusan branch of the National Teachers Union (Chongyojo) and the Pusan-South Kyongsang Province Council of Professors for Democracy.

The participants in the inaugural ceremony criticized the South Korean authorities' antipopular educational policy and declared that a citizens' movement for democratic education would be waged.

They vowed to fight for the establishment of a legal and institutional mechanism to ensure autonomy of education.

Plan To Reduce Team Spirit Termed 'Deceitful'

SK0308132391 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 24 Jul 91

[Commentary by station commentator Chong Pong-kil: "Deceitful Trick to Appease Public Opinion at Home and Abroad"]

[Text] According to a report, in an informal talk with reporters, the puppet chairman of the Joint Chiefs of Staff raved that the United States and South Korea plan to reduce the number of the armed forces participating in the Team Spirit joint military exercise next year to approximately 100,000, approximately a 30 percent cut in those participated in this year's exercise.

The rascal also babbled that in addition to reducing the size of the Team Spirit joint military exercise, the two sides are discussing the issue of conducting the commanding post exercise in parallel with the field mobilization exercise, the main part of the Team Spirit exercise.

He also announced that they decided to dissolve the U.S.-South Korea Combined Field Command, a subordinate organization of the U.S.-South Korea Combined Forces Command, next July.

This is nothing but a deceitful trick to appease public opinion at home and abroad, which demands the withdrawal of U.S. imperialist aggressor forces from South Korea and the elimination of the Team Spirit war exercise.

The world is advancing toward detente, and the struggle to achieve durable peace and peaceful reunification is being vigorously waged on the Korean peninsula.

Through our active efforts, the North-South high-level talks will be resumed before long and the struggle to realize the North-South reunification festivals, including the pan-national rally, on the occasion of the 46th anniversary of national liberation, is being actively carried out in the North, the South, and overseas.

Such struggle by all fellow countrymen is aimed at realizing durable peace on the Korean peninsula and expediting national reunification soon, and is enjoying active support and encouragement from a broad range of the world's people.

No one can think of the struggle for peace and peaceful reunification of Korea without thinking about the struggle against the U.S. imperialists' occupation of South Korea and war maneuvers. Therefore, the spearhead of the struggle to realize peace and peaceful reunification of Korea is focused on smashing the U.S. imperialists, who occupy South Korea, and their war maneuvers. The people at home and abroad raised voices demanding the withdrawal of U.S. troops and aggressor forces, including nuclear weapons, and the elimination of war exercises like Team Spirit.

Embarrassed by this, the U.S. imperialists and the South Korean puppets are loudly talking about the relocation of U.S. military bases, reduction of the size of the Team Spirit joint military exercise, and so forth. However, this will deceive no one.

What our people and peace-loving people around the world demand is not the relocation of bases but the complete withdrawal of nuclear weapons; not the reduction of the size of the Team Spirit military exercise but its complete suspension in South Korea.

The puppets, together with the U.S. imperialists, raved about the reduction of the size of the Team Spirit war exercise. However, this is sophistry designed to conceal their increasing war maneuvers.

This is clearly proven by the remarks of the puppet chairman of the Joint Chiefs of Staff: that although the size of the exercise will be reduced, the method for introducing ultramodern scientific equipment, which was mobilized in the Gulf war, to Team Spirit is being pushed ahead in order to enhance the efficiency of the exercise.

This means that they will drag ultramodern war equipment and means, which were used in the Persian Gulf war, into the Team Spirit war exercise and that the rascals are attempting to introduce the experience in the Persian Gulf war into the Korean peninsula in an emergency.

Facts indicate that the size of the Team Spirit war exercise will not be reduced but expanded and that this exercise will be staged next year frantically with more vicious aggressive nature. Thus, reduction of the size, which the rascals loudly talk about, is a deceitful trick to appease public opinion at home and abroad.

Just as a jackal cannot be changed into sheep, the aggressive and bellicose nature of the U.S. imperialists and the No Tae-u group, their faithful war servant, who make war and aggression a profession, absolutely cannot be changed.

If the U.S. imperialists and the South Korean puppets truly want peace and peaceful reunification of Korea, they should discard shameless sophistry, which no one believes, and should immediately withdraw the U.S. troops and aggressive forces, including nuclear weapons, from South Korea. They should suspend war exercises like Team Spirit, which is a practice nuclear war as well as a preliminary war.

South Economy Deformed Due to Foreign Investment

SK0508152891 Pyongyang KCNA in English
1508 GMT 5 Aug 91

[Text] Pyongyang August 5 (KCNA)—The puppet authorities have induced foreign investments to the tune of 338 million dollars during the first five months of this year, a South Korean newspaper reported.

They oriented no small share of the foreign investments to the service industry.

The induction of foreign capital into the service industry when productive investments in the manufacturing industry are dwindling, while service and entertainment businesses are growing fat, is rendering the South Korean economy all the more deformed.

Korean Denuclearization Proposal Submitted to UN

SK0308044791 Pyongyang KCNA in English
0430 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—The July 30 statement of the Ministry of Foreign Affairs of the Democratic People's Republic of Korea carrying a new proposal for denuclearization of the Korean peninsula was distributed as official document S/22854 of the U.N. Security Council on August 1.

Daily Article Urges Removal of Nuclear Threat

SK0608122491 Pyongyang KCNA in English
1037 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—Tragedies of Hiroshima and Nagasaki must not be repeated, stresses NODONG SINMUN today in an article on the lapse of 46 years since the United States inflicted a nuclear holocaust on the Japanese people.

The atrocities of U.S. imperialists which claimed the lives of 300,000 people and reduced the two cities to ruins are a most hideous crime against mankind which will incur resentment and curses of the world people for all ages, says the daily.

It points out that the Japanese and other Asian people have yet to free themselves from a nuclear threat entirely because of the U.S. imperialists' policy of nuclear blackmail.

Recalling that U.S. Defense Secretary Cheney blared in February that Truman made a correct decision to drop an atomic bomb on Hiroshima in 1945, the paper brands this as an outburst revealing the ulterior intention of the U.S. imperialists to inflict a more horrible nuclear holocaust on humanity than in Hiroshima and Nagasaki.

Calling attention to the fact that the Japanese magazine GENDAINOME [spelling as received] wrote the United States intends to turn Asia, particularly Korea, into a theatre of nuclear war when Japan and China rather feel at ease, the paper says:

Hence, the United States has deployed more than 1,000 pieces of nuclear weapons in South Korea, which are targeted against the Democratic People's Republic of Korea and other Asian countries.

That is why the nuclear threat should be removed, first of all, from the Korean peninsula, a tinderbox of global thermo-nuclear war.

Committee Fetes South Chondaehyop Delegate

SK0508154391 Pyongyang KCNA in English
1518 GMT 5 Aug 91

[Text] Pyongyang August 5 (KCNA)—The Korean Students Committee gave a reception at the Okryu Restaurant today in honour of the delegate of the National Council of Student Representatives (Chondaehyop) of South Korea who came here to participate in the Mt. Paektu-Mt. Halla grand march for the promotion of national reunification.

The delegate of Chondaehyop, Pak Song-hui, a fourth-year student of Kyonghui University in Seoul, was present on invitation.

Also invited were delegates of Korean students overseas.

Present at the reception were Yo Yon-ku, vice-chairperson of the North side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon), Choe Hyon-tok, chairman of the Korean Students Committee, university presidents and college rectors in Pyongyang and delegates of the North side to the North-South student talks and students.

Speaking at the reception, Chairman Choe Hyon-tok extended, through delegate Pak Song-hui, militant greetings to the one million students of Chondaehyop who are staunchly fighting for the independent and peaceful reunification of the country.

By sending coed Pak Song-hui to Pyongyang as its delegate this time Chondaehyop demonstrated to the whole world once again the unshakable will of its one million students to bring earlier a reunified country to this land at any cost, he stressed, adding:

Delegate Pak Song-hui who left on the trip with a firm determination to "fight with a stance to remove the hateful iron fence of division even if her body might be crushed to powder" is a resourceful and valiant daughter of the nation and "flower of reunification" who has thrown herself into the cause of removing the barrier of division in the real sense of the word.

Choe Hyon-tok extended warm greetings, in the name of all the students and people in the northern half of the country, to the successive chairmen and hardcore fellow students of Chondaehyop including coed Yim Su-kyong, a "flower of reunification," and Yim Chong-sok, Song Kap-sok, Kim Chong-sik and Chon Mun-hwan, justice-loving passionate students who are courageously fighting in defence of their principle for reunification without the slightest vacillation even behind bars at the moment.

A few days later, we will hold the starting ceremony of the Mt. Paektu-Mt. Halla grand reunification march for the promotion of national reunification atop Mt. Paektu and set out on the road of the grand march toward the South through towns and villages and across mountains and fields of the North, he said, and stressed:

The students in the northern half of the country, with a firm determination, steadfast will to achieve the reunification of the country in the '90s without fail, will dauntlessly fight till the day of reunification, firmly joining hands with the one million students in the South and closely uniting with the students overseas.

Pak Song-hui spoke next.

She expressed thanks to the Korean Students Committee for having arranged the grand reception and conveyed comradely greetings of Chondaehyop.

Although our nation is living with the sorrow of division by the outside forces, it has never lost patriotic passion, will for reunification and stamina, she stressed, and said:

It is because we are always one and the same on the road of reunification, jumping over the divisional boundary.

Chondaehyop will vigorously fight for the peace and reunification of the country, not contrary to the expectation of the fellow countrymen.

A performance of school children art circle members in Pyongyang was given at the reception.

More on South Chondaehyop Delegate

SK0508155191 Pyongyang KCNA in English 1529 GMT 5 Aug 91

[Text] Pyongyang August 5 (KCNA)—Woman student Pak Song-hui, delegate of the "National Council of Student Representatives" (Chondaehyop), was interviewed by home and foreign reporters at the Pyongyang Koryo Hotel where she put up upon arrival in Pyongyang today.

The reporters warmly welcomed Pak Song-hui who came to Pyongyang by making a long detour to participate in the Paektu-Halla grand march for the promotion of national reunification scheduled in the North.

Pak Song-hui, 22, is a fourth-year student of the composition course of Kyonghui University in Seoul and former director of the propaganda department of the student committee for the promotion of national reunification of the university. She is the only daughter of her old parents.

Referring to the enthusiastic welcome of Pyongyang citizens and students today, she said she keenly felt their ardent desire for reunification.

Explaining what brought her to Pyongyang, she said:

I left Seoul on June 24 and participated, together with Song Yong-song, a student of Konkuk University, as a delegate of Chondaehyop in a meeting for preparing the second pan-national rally and the first working-level talks for a success of the "grand reunification festival of students in the North, the South and overseas for peace in the country and great national unity" (grand reunification festival of students for short) held in Berlin before coming here today.

I, as the delegate of Chondaehyop, will take part in the Paektu-Halla grand march for the promotion of national reunification and return to Seoul through Panmunjom together with the North side's student delegation on August 13 and, if it is impossible, will go back on August 15. Asked how does she think of the South Korean authorities' announcement that she would be arrested upon her return, Pak Song-hui said: I can hardly understand why it is a crime to visit the North and meet its people.

And asked what prompted her to make such a difficult trip as this time, she said that Chondaehyop would have dispatched as a delegate even a student in a much more difficult situation than her.

At the request of home and foreign reporters, she sang with deep emotion the song "To Be One", touching the right chord of those present.

Group in Japan Issues Statement on Chondaehyop

SK0508153691 Pyongyang KCNA in English 1510 GMT 5 Aug 91

[Text] Tokyo August 3 (KNS-KCNA)—Vice-Chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) So Man-sul August 3 issued a statement to the press concerning "results of investigation" full of fabrications entitled "Whole Aspect of Chondaehyop [National Council of University Student Representatives]" which was published by the No Tae-u ruling group in the name of the "Security Planning Board".

The fascist clique transferred Chairman Kim Chong-sik and 12 others to the prosecution and is searching for 80-odd hardcore members on the suspicion of forming "an organization benefiting the enemy" after it charged the "National Council of Student Representatives" (Chondaehyop) as an "organization benefiting the enemy" and "organization seeking to overthrow the system", the statement noted. And it branded this as a base act and open political terrorism proceeding from the political aim to obstruct and strangulate "Chondaehyop" at any cost, frustrate the second pan-national rally and the grand festival of youth and students for reunification and completely stamp out the pro-reunification, democratic forces in South Korea.

Denouncing the No Tae-u clique's shameless attempt to connect "Chondaehyop" with Chongnyon, the statement stressed: All these charges are nothing but a sophism to justify their reactionary repressive offensive.

The statement strongly demanded that the puppet clique give up at once the criminal move to strangulate "Chondaehyop", unconditionally release the patriotic students including Yim Chong-sok, Song Kap-sok, Kim Chong-sik and Chon Mun-hwan and the pro-reunification patriotic figures including Rev. Mun Ik-hwan and coed Yim Su-kyong who have been illegally jailed and step down forthwith as the South Korean people demand.

South Korean Student in Japan Defects to North

SK0608134691 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 3 Aug 91

[Text] Kim Yong-kyu, 30, a South Korean student who was studying at Shinshu University of Japan, defected to the northern half of the republic. Functionaries of the relevant sector gave him a bouquet of flowers and warmly welcomed him with compatriotic feelings.

Born in Wolsan-ri, Anyong-myon, Namwon County, North Cholla Province, Kim Yong-kyu graduated from the Puchon Vocational Technical College and served in the puppet army before going to Tokyo, Japan, to study.

He was very pleased to have defected to the North where the people enjoy national dignity. He told the reporters, explaining the reason for his defection: When I served in the Army at a post on the forefront adjacent to the truce line, I could learn about the realities of the northern half of the republic, where all people work equally and are also equally well off. I began to realize the falsity of the South authorities' anticommunist propaganda. At the same time, I was disillusioned with the South Korean authorities who paid lip service to peace and reunification while having a large stock of nuclear arms deployed in the area near the front, conducting a nuclear war rehearsal every year, and having built a concrete wall of perpetual division at the instigation of the U.S. imperialists.

While studying in Japan, I saw the life of the Chongnyon compatriots who lived proudly, learning and writing our language with the pride and honor at being a Korean, as well as the publications and videotapes introducing the reality of the North. I came to be correctly aware of the North's adherence to national dignity, following the road of national revival.

Ashamed of South Korea's dependence on outside forces and disgusted with the capitalist society where the rich get richer and the poor get poorer, I was convinced that the North is truly the place where I should live and the nation in which I should live. Waiting for an opportunity to defect, I have at last succeeded in coming over to the North through a third country.

Foreign Ministry Spokesman Statement on START

SK0408145191 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Aug 91

[Statement issued by DPRK Foreign Ministry spokesman on conclusion of the Strategic Arms Reduction Treaty (START) between the United States and the USSR on 4 Aug—read by announcer]

[Text] According to a report, it has been said that the leaders of the USSR and the United States signed the Strategic Arms Reduction Treaty [START] on 31 July at the Kremlin in Moscow. As the first treaty for a reduction in strategic arms, it is a significant step in the course of overall nuclear disarmament.

Through the course of nine years of talks between the USSR and United States, it was a goal to reduce strategic arms by 50 percent. However, it was agreed to reduce strategic arms by 30 percent ultimately. Thus, the world pays attention to this.

The government of our Republic hopes that this treaty, which will play a role in reducing strategic and offensive weapons, will, without fail, be linked to the complete abolition of nuclear weapons, which are increasingly dangerous and destructive for the future.

The USSR and the United States signed the START treaty this time. This is a treaty creating an objective possibility [kaegkwanjok kanungsong] for the realization of the expectations and aspirations of the world's peace-loving people who want to establish a nuclear- free zone on the Korean peninsula.

The United States has deployed more than 1,000 nuclear weapons in South Korea. This is a direct product of the period of nuclear confrontation between the USSR and the United States. Therefore, it is a more mature demand to turn the Korean peninsula into a nuclear-free zone today at a time when the USSR and the United States have signed a nuclear disarmament treaty and when the nuclear confrontation has been eased.

Recently, the government of our Republic, proceeding from its policy against nuclear weapons and for peace, announced at home and abroad that it was ready to take all necessary steps for turning the Korean peninsula into a nuclear-free zone.

The government of our Republic thinks that the conclusion of the START treaty between the USSR and the United States this time will be a positive opportunity for preparing the bilateral or multilateral talks for turning the Korean peninsula into a nuclear-free zone.

4 Aug 1991, Pyongyang

More on START Treaty

SK0508045491 Pyongyang KCNA in English 0400 GMT 5 Aug 91

[Text] Pyongyang August 4 (KCNA)—The Strategic Arms Reduction Treaty [START] signed by the heads of state of the Soviet Union and the United States is a significant measure in the process of overal nuclear disarmament as the START treaty on reduction of strategic weapons.

A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea said this in a statement issued to the press on August today. [sentence as received]

The world pays attention to the fact that the target of strategic arms reduction by 50 percent set at the beginning of the negotiations which both the Soviet Union and the United States have held more than nine years was reduced to 30 percent at the final phase, the statement pointed out, and went on:

The government of our Republic hopes that the treaty on reduction of strategic offensive weapons will surely lead to the complete dismantlement of most dangerous and destructive nuclear weapons.

The Strategic Arms Reduction Treaty signed by the Soviet Union and the United States creates one more objective possibility to realise the expectation and desire of the world peaceloving people for the denuclearization of the Korean peninsula.

As the deployment of 1,000 pieces of nuclear weapons in South Korea by the United States is a direct product in the period of nuclear showdown between the Soviet Union and the United States, the denuclearization of the Korean peninsula has become a more matured demand today when the Soviet-U.S. nuclear arms reduction treaty was signed and nuclear showdown is being relaxed.

The government of our Republic solemnly declared to the world recently that proceeding from its antinuke peaceloving policy, it is ready to take all necessary measures to make the Korean Peninsula a nuclear-free zone.

The government of our Republic considers that the signing of the Soviet-U.S. nuclear arms reduction treaty will mark a positive occasion in arranging bilateral or multilateral negotiations for the denuclearization of the Korean peninsula.

Commentary on Cheney's Remarks on Asian Strategy

SK0308092691 Pyongyang Korean Central Broadcasting Network in Korean 0025 GMT 3 Aug 91

[NODONG SINMUN 3 August commentary: "Unchanging Ambition for Aggression"]

[Text] According to reports, while reviewing the so-called U.S. long-term military strategy toward the Asian-Pacific region on 1 August to the U.S. House Budget Committee, U.S. Defense Secretary Cheney openly disclosed the U.S. imperialists' ambition for aggression in this region. He said that the U.S. military strategy calls for not causing U.S. military isolation in this region, that the U.S. troops cannot completely withdraw from this region, and that the United States is defending the security of its allies in this region not out of good will but to defend U.S. interests. Thus, he did not try to conceal the U.S. imperialists' aggressive ulterior motive.

He babbled in particular that deploying U.S. troops in Japan and South Korea and making the South Korean puppets and Japan contribute greater portions of the upkeep of those troops, thus defending U.S. interests while spending less money, is the U.S. strategy in the Asian-Pacific region. He meant that the United States would not withdraw its troops and nuclear weapons from the Asian-Pacific region but deploy them. Thus, it would continue to carry out its policy of strength to step up its monopolistic rule and control over this area. This again clearly shows that the U.S. imperialists' aggressive strategy toward the Asian-Pacific region has not changed at all and that the U.S. ruling bunch pursues only aggression and war in this region.

Cheney said that if the U.S. troops are withdrawn from this region, a vacuum of strength, an unstable security situation, and military rivalry would take place. This is an excuse and sophistry designed to keep U.S. troops and nuclear weapons in this region on a long-term basis, not withdraw them. It is noteworthy that the spearheads of the U.S. imperialists' long-term military strategy are constantly directed at the Korean peninsula.

Continuously using South Korea as a forward nuclear base and an anticommunist stronghold and provoking a new war of northward aggression is the basic requirement of the U.S. imperialists' strategy toward the Asian-Pacific region. Since the Persian Gulf war, they have said openly that the Korean peninsula is a dangerous region where a regional war is most likely to break out and have loudly babbled about our development of nuclear weapons, which is non-existent, and a crisis situation on the Korean peninsula. After mapping out a 200-day-war scenario, they have also extremely stepped up nuclear war maneuvers in South Korea. The U.S. imperialists and the South Korean puppets recently initialed the so-called wartime host nations support agreement to continue deploying U.S. troops and nuclear weapons in South Korea for actual combat purposes, to reinforce the U.S. forces in an emergency, and to requisition all the human and material resources in South Korea for the

U.S. imperialists to wage war under the pretext of assistance. As Cheney has disclosed, the U.S. imperialists are trying to make the puppets pay the entire upkeep of the U.S. troops in South Korea in peace as well as in war and trying to pursue their aggressive purposes and strategic interests in Korea more easily. The U.S. long-term military strategy toward the Asian-Pacific region that he babbled about is a strategy of aggression and war to occupy South Korea forever and to conquer our republic by force and threaten and hold in check the Asian countries, using South Korea as a base of operations.

The U.S. imperialists have said that they hope for peace on the Korean peninsula. This is a scheme to deceive public opinion at home and abroad and to conceal their aggressive colors. Also, their so-called plan to reduce the U.S. troops is a war plan to strengthen the forces and accelerate preparations for northward aggression under the plausible pretext of reduction.

A series of positive changes has taken place in various parts of the world. However, the situation on the Korean peninsula and in the Asian region has been further aggravated. The U.S. imperialists' policy of aggression and war is fully responsible for this development. The U.S. imperialists' aggressive military strategy toward this region is an outdated strategy that runs counter to the people's aspirations and earnest desire and the current trend. After squarely looking at this trend, the U.S. imperialists must abandon its outdated policy, which is based upon the position of strength.

Commentary on U.S. Middle East Arms Proposal

SK0408090791 Pyongyang KCNA in English 0826 GMT 4 Aug 91

[Text] Pyongyang August 4 (KCNA)—NODONG SINMUN today carries a commentary laying bare the unjustness of the U.S. "Mideast arms control overture".

The keynote of the "overture" is that the development, production and introduction of mass destruction weapons in the Mideast countries should be halted at once and the sales of conventional weapons to this region be restricted gradually.

The news analyst says:

If things go as proposed by the United States, Israel will not be affected at all by this as she has the biggest arsenal of mass destruction weapons in the Middle East and these weapons will remain a source of permanent threat to other countries in the Middle East.

This will naturally lead the region to an arms race to possess more conventional weapons.

We are supporting disarmament in the Mideast region, that is, the solution favored by all the Mideast countries and not a unilateral and self-righteous proposal for disarmament, the commentary observes.

Recalling that the United States recently claimed it does not oppose in principle the proposal for establishing nuclear-free zones in South Asia and Africa and brought forward the "Mideast arms control overture" and is trying to carry it into effect, the commentary queries why the United States ignores the denuclearisation of the Korean peninsula.

The reason is that the United States is afraid of lining the question of denuclearising the Korean peninsula with more than 1,000 pieces of nuclear weapons deployed in South Korea. If the United States wants to convince the world people of the truth of the "Mideast arms control overture", it should take a practical step for the denuclearisation of the Korean peninsula.

Korean Group From U.S. Arrives in Pyongyang

SK0608054891 Pyongyang KCNA in English 0449 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—The fourth home-visiting group of Koreans in the United States headed by Chon Sun-tae, managing member of the One Korea Movement, arrived in Pyongyang on August 5.

Korean Veterans in USSR Leave Pyongyang

SK0608094391 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Aug 91

[Text] A delegation of Korean veterans living in the Soviet Union led by Hwang Song-pok, chairman of the Association for Korean Veterans in the Soviet Union, left Pyongyang for home by plane on 1 August.

The delegation was seen off at the airport by Kim Chu-hye, director of a department of reception for overseas compatriots (Haeoe Tongpo Yongjoppu), and other relevant officials.

Visiting Ukrainian Students Begin March

SK0308131491 Pyongyang KCNA in English 1001 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—A starting ceremony of a march of the Ukrainian pupils visiting group of the Soviet Union to trace the course of the "1,000-ri journey for national liberation" was held in Mangyongdae on August 2.

President Kim Il-song made the "1,000-ri journey for national liberation" at the age of 13 after vowing to restore the lost country.

The speaker said that the "1,000-ri journey for national liberation" was a significant course that heralded a new era of the victory of the Korean revolution, recalling that Korean school youth and children briskly take part in the march along the course of the "1,000-ri journey for learning" and the "1,000-ri journey for national liberation".

Speaking next, head of the visiting group A.M. Buriyan said that the members of the visiting group will get deep knowledge of the revolutionary history of the great leader of the Korean people Comrade Kim Il-song while tracing the course of the 1,000-ri journey he had covered with a lofty aim of national liberation.

The "1,000-ri journey for national liberation" will be a course on which children of different countries of the globe will meet, he stressed.

Then, the members of the visiting group left Mangyongdae amid enthusiastic cheers of Korean school children.

More Students Arrive

SK0608054591 Pyongyang KCNA in English 0448 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—A delegation of Korean youth and students in Japan and a delegation of Korean youth in the Soviet Union arrived in Pyongyang to participate in the Paektu-Halla grand march for the promotion of national reunification.

Further Report on Japan's Friendship Boat

SK0308115491 Pyongyang KCNA in English 1029 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], today met and had a friendly conversation with leading members of the "Japan-Korea Friendship Boat" visiting group with Motofumi Makieda, representative member of the Japan committee for supporting Korea's reunification and chairman of the former General Council of Trade Unions of Japan (Sohyo), as the general head on a visit to our country.

Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries, was on hand.

On the occasion the general head of the delegation said that whenever he visited Korea he was deeply moved to see her new looks.

Socialist construction in Korea is being stepped up at the speed of chollima, he pointed out, adding that he would make positive efforts to accelerate the independent and peaceful reunification of Korea and realise at an early date the normalisation of diplomatic relations between Japan and the DPRK based on the joint declaration of the three parties.

Official Remarks on Japanese Economic Relations

OW0608105591 Tokyo KYODO in English 0913 GMT 6 Aug 91

[Text] Tokyo, Aug. 6 KYODO—A North Korean official in charge of Japanese affairs has said his country wishes to strengthen economic relations with Japan and Southeast Asia.

Yim Tae-tuk, chief of the Japan desk at the North Korean Ministry of External Economic Affairs, made the statement during a recent interview in Pyongyang with KYODO news service.

Yim said changes in payment for trade with other socialist countries made it necessary for Pyongyang to move closer economically to Japan and Southeast Asia.

He said North Korea would like to promote economic exchanges with Japan even before the two countries normalize diplomatic relations.

North Korea has so far depended on socialist countries, mostly the Soviet Union and China, for 70 to 80 percent of its trade.

Yim said North Korea's trade with the Soviet Union is now based on settlements with hard currencies, instead of barter trade as in the past, and similar changes will be made next year in its trade with China.

He said trade will therefore be based on the same settlement system, whether it is with capitalist or socialist countries.

If Japan invests in joint ventures in North Korea and imports its products, there would be mutual benefits for both countries, he said.

Commenting on the Soviet and Chinese economic reform programs, Yim said there are no faults or abuses in North Korea to be removed through such programs. He added Pyongyang will not promote moves toward a market economy, as the Soviet Union and China are doing.

But North Korea is pushing plans to establish an economic and trade zone along the Tumen River on the Soviet Border and a transit trade zone on its east coast, Yim said.

He said North Korea runs 110 joint ventures at home and 30 more overseas. He added the country will consolidate its joint ventures in the service and nonmanufacturing sectors and expand those in the manufacturing sector.

Chongnyon Official Returns to Japan

SK0608123191 Pyongyang KCNA in English 1042 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—So Man-sul, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), left here today after visiting the socialist homeland.

He was seen off at the airport by Yun Ki-pok, Kim Chu-ho and other officials concerned.

Party Delegation Meets PRC's Jiang Zemin

SK0608062291 Pyongyang KCNA in English 0450 GMT 6 Aug 91

[Text] Beijing August 5 (KCNA)—Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, met with a delegation of the Workers' Party of Korea [WPK] headed by Comrade Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, on a visit to China at Zhongnanhai in Beijing Monday.

The head of the delegation conveyed cordial regards of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to respected Comrades Jiang Zemin; Deng Xiaoping, Yang Shangkun and Li Peng.

Comrade Jiang Zemin expressed deep thanks for this and asked the head of the delegation to convey warm greetings of Comrades Deng Xiaoping, Yang Shangkun and Li Peng and himself to Comrade Kim Il-song and Comrade Kim Chong-il.

Noting that the WPK organised various grand functions celebrating the 70th founding anniversary of the CPC, he said this fully demonstrated the close intimacy between the leaders of the two parties and two countries.

Referring to the flood damages in China, he said the superiority of socialism led by the CPC is being fully displayed in the course of clearing away the damages.

The conversation proceeded in a friendly atmosphere.

Consulate in PRC's Shenyang Shows Film

SK0608093291 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 31 Jul 91

[Text] On the occasion of the 38th anniversary of the victory of the great fatherland liberation war, our country's general consulate in Shenyang in the PRC gave a film show at the Liaoning Hotel on 27 July.

The head secretaries of the people's government in Liaoning Province and Shenyang city, relevant functionaries, and other functionaries in publications and information were invited. The acting DPRK consul-general to Shenyang and consulate fuctionaries attended. The participants saw a documentary film about our country, entitled "Korea Is One." A tea party was held afterward.

They saw a photos exhibition before the film.

Party Delegation Returns From PRC Visit

SK0608124091 Pyongyang KCNA in English 1045 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, returned home today after visiting China.

It was met at the airport by Kwon Min-chun, vice-director of a department of the WPK Central Committee, and Chiang Zhengcai, charge d' affaires ad interim of the Chinese Embassy here.

Reportage on Iranian Sports Delegation's Visit

Official Gives Interview

SK0308114491 Pyongyang KCNA in English 1005 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—What impressed me most deeply during my sojourn in Korea is that the Democratic People's Republic of Korea is developing at an amazing speed under the wise guidance of the great leader His Excellency President Kim Il-song and the dear leader Comrade Kim Chong-il, said Hasan Ghafuri-fard, vice-president and chairman of the Physical Training Organization of Iran, when he met with a KCNA reporter here on August 1.

Noting that the courageous and industrious Korean people built up the country by their own efforts from the ruins after the war and today have turned it into a country envied by the world's people, he said: The West Sea barrage, the May Day stadium, the grand people's study house and sports facilities in Chongchun Street we visited are world's first-rate modern edifices.

Korea is, indeed, a model of developing countries and the future of Korea is firmly guaranteed and bright.

Referring to Korea's reunification question, Vice-president Hasan Ghafuri-fard demanded that the United withdraw its nuclear weapons and aggression troops from South Korea without delay, warning that if the U.S. imperialists ignite another war in Korea they would suffer a more ignominious defeat than in the '50s.

For the Korean people, division is immediately a tragedy and this tragedy must be terminated at an early date, he said, stressing: Korea must be reunified in accordance with the proposal for founding a Democratic Confederal Republic of Koryo.

Meets With President

LD0308221191 Tehran IRNA in English 0708 GMT 3 Aug 91

[Text] Tehran, Aug. 3 IRNA—Iran's vice-president and head of the physical education organization Hasan Ghafuri-Fard met with President Kim Il-Song of Democratic People's republic of Korea (DPRK) in Pyongyang Friday before winding up a five-day visit to DPRK.

The two officials discussed issues of mutual interest and the upward trend in Tehran-Pyongyang relations.

Stressing bilateral cooperation, President Kim Il-song called for greater cooperation between the two countries.

Ghafuri-Fard who arrived in Pyongyang last Monday also held separate meetings with the Korean vice-president, the foreign affairs minister and the chairman of the physical education commission.

Ghafori-Fard left the DPRK capital for Tehran Saturday morning.

Delegation Departs

SK0308122591 Pyongyang KCNA in English 1026 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—The delegation of the Physical Training Organisation of the Islamic Republic of Iran led by Hasan Ghafuri-fard, vice-president and chairman of the organisation, left here for home on August 3 after paying an official goodwill visit to our country at the invitation of the Government of the Democratic People's Republic of Korea.

The delegation was seen off at the airport by Vice-president Yi Chong-ok, Chairman of the State Commission of Physical Culture and Sports Kim Yu-sun and Charge d'affaires ad interim of the Iranian Embassy here Hamid Malek Abadi.

During its stay in Korea the delegation visited Mangyongdae, the West Sea barrage, the May Day stadium and various places of Pyongyang and local areas.

Reportage on Kim Tal-hyon Visit to Iran 2-4 Aug

SK0608011791 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 5 Aug 91

[Text] Our country's government economic delegation led by Kim Tal-hyon, vice premier and chairman of the External Economy Commission, visited Iran 2-4 August.

On 2 August, the delegation met and talked with the commander in chief of the Islamic Revolutionary Guard of Iran. On the occasion, the commander in chief extended sincerest greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

On 3 August, the delegation talked with the Iranian defense and armed forces logistics minister in a friendly atmosphere and met and talked with the first deputy foreign minister.

On 4 August, the delegation met with Mehdi Mahdavi-Karrubi, speaker of Iran's Majles. On this occasion, the Majles speaker said he hopes the delegation will extend his greetings of long life to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. He referred to the fact that relations of friendship and cooperation are favorably developing between Iran and Korea.

Meets with Iranian President

SK0608001991 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 5 Aug 91

[Text] Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran, received our country's government economic delegation led by Kim Tal-hyon, vice premier and chairman of the External Economy Commission, on 4 August.

On this occasion, the delegation head extended greetings from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il to President Akbar Hashemi-Rafsanjani. The president expressed deep appreciation for this and asked the delegation head to extend his sincerest greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. He said that Iran fully supports all the epochal proposals that President Kim Il-song recently advanced. He also said that Iran is anticipating the visit to Iran by the great leader President Kim Il-song. He pointed out that he is greatly interested in the development of relations between Iran and Korea.

The conversation took place in a friendly atmosphere. Our country's charge d'affaires ad interim to the Islamic Republic of Iran attended.

Discusses Reunification Proposal

SK0608112891 Pyongyang KCNA in English 1023 GMT 6 Aug 91

[Text] Pyongyang August 6 (KCNA)—'Ali Akbar Hashemi-Rafsanjani, President of the Islamic Republic of Iran, when he met with a Korean Government economic delegation on August 4, said that Iran fully supports all the epochal initiatives taken recently by President Kim Il-song.

The head of the delegation Kim Tal-hyon, vice-premier and chairman of the External Economy Commission, conveyed regards of President Kim Il-song and Comrade Kim Chong-il to President 'Ali Akbar Hashemi-Rafsanjani.

The president expressed deep thanks for this and asked the head of the delegation to forward his most heartfelt greetings to President Kim Il-song and Comrade Kim Chong-il.

Iran eagerly hopes for the great leader President Kim Il-song's visit to Iran, he noted.

He said that he is deeply interested in developing Iran-Korea relations.

The talk proceeded in a friendly atmosphere.

Kang Hui-won Speaks at Havana Ceremony

SK0608105291 Pyongyang KCNA in English 1000 GMT 6 Aug 91

[Text] Havana August 4 [date as received] (KCNA)—A grand ceremony for the completion of the "Havana-Pyongyang friendship fountain" which was built by the side of the Pan-American stadium in Havana as a gift of the dear leader Comrade Kim Chong-il, was held on August 4.

Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, who was heading a DPRK party and government delegation, made a speech at the ceremony.

He said that the dear leader of the Korean people Comrade Kim Chong-il made to the Cuban people a gift of the "Havana-Pyongyang friendship fountain" symbolic of the everlasting friendship and solidarity between the Korean and Cuban peoples on the occasion of the Pan-American games in Cuba. This gift carries the lofty intention of the Workers' Party of Korea to value friendship with Cuba and unswervingly advance along the road of socialism always together with the Cuban people, he stated, and continued:

The particular intimacy formed between the great leader Comrade Kim Il-song and esteemed Comrade Fidel Castro firmly guarantees the indestructibility of Korea-Cuba friendship.

Speaking next, Pedro Chavez, president of the Havana city People's Power Assembly, said that the "Havana-Pyongyang friendship fountain" built by great cooperation and joint efforts of the two peoples will remain an everlasting symbol of Cuba-Korea friendship and solidarity at the historic place of the 11th Pan-American Games.

The friendship fountain is a contribution of the Korean people to the 11th Pan-American Games and a vivid manifestation of the close friendly and cooperative relations between the two countries in political, economic, social, cultural and sports fields, he stressed.

He noted that the Democratic People's Republic of Korea supplied the design and equipment and dispatched competent experts to successfully complete the fountain before the 11th Pan-American Games.

Cuban Embassy Staff Visits Chonsung Museum

SK0608062591 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Jul 91

[Text] On the occasion of the month of solidarity with the Cuban people, Juan Jose Leon Vega, the Republic of Cuba's ambassador to our country, and his embassy staff today visited the Chonsung Revolutionary Museum. The guests first listened to an explanation on how the respected and beloved leader Comrade Kim Il-song led the Fatherland Liberation War against the U.S. imperialists to a brilliant victory and viewed with interest the historic relics hall. The guests visited the offices and conference rooms where the great leader worked.

The ambassador said it was his honor to visit the historical place where the great leader Comrade Kim Il-song worked during the Fatherland Liberation War and that the Chonsung Revolutionary Museum is important in showing the Korean people's valuable history. He also said that during this visit, he had come to know better the heroic struggle which the Korean people waged against the U.S. imperialists under the great leader Comrade Kim Il-song's wise leadership. He also said that even though he was very busy during the war, the great leader was mapping out a plan for postwar recovery and that his far-reaching plan has blossomed into a brilliant reality today in this land. He further said that all the achievements that the Korean people have brought about in revolution and construction will serve as good experiences for the world's people.

Dailies View ASEAN Ministers Meeting

SK0408091791 Pyongyang KCNA in English 0832 GMT 4 Aug 91

[Text] Pyongyang August 4 (KCNA)—Dailies here today comment on the foreign ministerial meeting of ASEAN and ASEAN-dialogue partners meeting.

The meetings discussed the problem of defending the sovereignty and interests of the countries in this region, the problem of expanding and strengthening the independent development and cooperation there and the problem of ensuring peace and security and ASEAN nations rejected the unwarranted acts of the United States and other Western countries to put pressure on the Asian countries, taking issue with the "human rights" problem.

This is a positive move of the ASEAN countries to adhere to the independent stand, defend the right and interests of the Asian countries and to achieve the stability and prosperity in this region without yielding to the pressure of the West, says a signed commentary of NODONG SINMUN. It goes on: Japan advanced a proposal for making the talks between ASEAN and the dialogue partners including the United States and Japan a forum of discussing the security problem.

This proceeds from the intention of Japan to take a leading position in this region and bring the Asian countries under its sphere of influence by excluding other Asian countries from the discussion of the problem.

The United States and some other countries talked about the "human rights" problem in Asian countries. This is nothing but to openly interfere in the internal affairs of these countries and regional problems on the pretext of this problem and to force them to accept their unwarranted stand of seeking their own interests.

The ASEAN countries came out against this untenable act, which conforns to the trend of the era of independence.

The Democratic People's Republic of Korea will continue to strive to develop the friendly and cooperative relations with Asian countries.

A signed commentary of MINJU CHOSON stresses: It was entirely right for the Southeast Asian countries to have heightened vigilance against the imperialists' acts of domination and interference and strongly opposed them at the meetings.

Kim Il-song Cables Burkina Faso President

SK0308121091 Pyongyang KCNA in English 1035 GMT 3 Aug 91

[Text] Pyongyang August 3 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings on August 2 to Blaise Compaore, president and head of government of Burkina Faso, on the eighth anniversary of the victory of the revolution in Burkina Faso.

President Kim Il-song wished the Burkina president and people great success in the work to achieve national unity and stability and build a prospering new society.

He expressed the belief that the excellent relations of friendship and cooperation between the two countries would continue to strengthen and develop.

Units, Workers Receive Thanks for Helping Komdok

SK0508141991 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Jul 91

[Text] The Workers Party of Korea [WPK] Central Committee has extended thanks to units and workers that have set examples in assisting the Komdok Mining Complex.

The committees and ministries of the Administration Council and other central institutions, plants, and enterprises, and workers in various places are positively helping the working class of Komdok, which is busy waging a struggle to fulfill the production goals of lead and zinc. For seven months since last November, approximately 30,000 officials and workers went to Kumgol with tens of thousands of pieces of equipment of 25,000 kinds. Various units and workers again sent materials to the working class in Komdok on the occasion of the 16th anniversary of the on-the-spot guidance by the dear leader Comrade Kim Chong-il, 1 July. Considering the work of assisting Komdok as their duty, party committees in (Tongdaewon) District and Tanchon City substantially carried out political and organizational work among the masses, thus setting examples in the work of assisting Komdok. The (Tongdaewon) District Party Committee positively mobilized the enthusiasm of the party cell secretaries and workers. In this way, it sent approximately 50 tons of materials and 42 kinds of equipment, including bearings for mine cars, high-pressure air hoses, and various other logistical materials to Komdok.

The Eastern Railway General Bureau has been organizing transportation work to ensure that the concentrated operation of freight cars be carried out well. In this way, it is transporting much coal and materials to Kumgol in a timely manner. The Pyongyang University of Medicine Hospital has successfully carried out medical service activities.

Artistic propaganda units in various places have vigorously carried out artistic agitation work in underground tunnel ends in Komdok. Dressmakers and other helpers in the Huichon City Service Facility Management Office have encouraged the working class in Komdok by carrying out service activities well.

Individual workers have continuously displayed the beautiful trait of assisting miners in Komdok. Anti-Japanese fighters and their family members have taken materials—that they collected with sincerity—to Komdok and have sung revolutionary songs with miners at tunnel ends of the mine and carried out political work. In this way, they touched a cord in the workers' hearts. Pak Su-pok, a disabled veteran in Sinpo, and his wife have frequently visited miners in Kumgol, taking banners embroidered with the letters "single-minded unity" and letters of sympathy.

Children and students, too, have highly displayed this trait. Upon hearing a report on the beautiful deeds of various units and workers that have set examples in the work of assisting the Komdok Mining Complex, the dear leader Comrade Kim Chong-il highly assessed them.

The following is a list of units and workers who are receiving thanks from the WPK Central Committee:

The Ministry of Foreign Affairs; the Pyongyang University of Medicine Hospital; the Kaechon Train Operational Unit; the (Tongim) Electric Plant; the South Hamgyong Provincial Artistic Propaganda Unit; the Central Youth Artistic Propaganda Unit; the Nationwide Roving Youth Artistic Propaganda Unit; the Speed Battle Youth Shock Brigade's Marching Band; the Tanchon City party committee; the (Tongdaewon) District party committee, party cell secretaries under the committee, and the Pyongyang Shoe Plant in this district; the Disabled Veterans Resin Building Materials Plant under the Revolution Historic Site Construction General Bureau; the Fine Arts Material Plant under the Ministry of Culture and Arts; the Pyongyang Stove Manufacturing Cooperative; Ongnyugwan; Sunchon City (Yonpo) Senior Middle School; Hamhung City Songchongang District (Kwanghwa) Senior Middle School; nationwide young visual aids workers; unheralded heroes and agitators of the Eastern Railway General Bureau; dressmakers under the Huichon City Service Facility Management

Bureau: unheralded heroes in Nampo City; (Yu Pong-kum), guidance official at the South Hamgyong Provincial General Branch of the Central Bank; (Won Pok-sun) of (Pukchongok); (Cho Ki-son), manager of the Kaechon Export Clothes Plant; (Yi Chun-ong), manager of the Kaechon chicken farm; (Cha Song-in), primary-level party secretary of the Anju City Commercial Management Office; (Kim Yong- wol), member of the Chungsan County Oup Cooperative Farm; (Kim Yong- sun), an actress of the Pibada Opera Troupe; (Kim Hyo-chi), a doctor of the Pyongyang Maternity Ward; (Ko Won-chun), chairman of the League of Socialist Working Youth of Korea's chapter at the Sunchon City Public Building Construction Enterprise; (Yi Un-song), a worker at Sariwon Orchard; (Kim Chong-in), a guidance official of [word indistinct]; (Yo Chun-sun), a worker at Songdogak, a social food service management office at the Wonsan Songdowon Recreational Area; (Kim Song-hoe), a worker at the Tanchon Chicken Farm; the family of (Pak Su-pok), a disabled veteran in Sinpo City; (Yang Chan-kyu) and (Kim Yon-hui), three revolutions team members who have been sent to (Hoesang) and (Tong-san) Districts in Hamhung City; and various other units and workers.

Meetings took place in relevant sectors to express the resolve to repay the thanks from the WPK Central Committee with loyalty. Officials and workers in various units who had the great honor of receiving thanks from the party Central Committee were filled with an enthusiastic resolve to achieve great upsurges in carrying out their assigned revolutionary tasks and to continuously and vigorously assist Komdok and various other important sectors of the people's economy and construction sites in material and technological terms with labor, thus repaying the party's trust and expectations with loyalty.

KCNA Review of 5 Aug NODONG SINMUN

SK0508102791 Pyongyang KCNA in English 1000 GMT 5 Aug 91

[Review of NODONG SINMUN]

[Text] Pyongyang August 5 (KCNA)—NODONG SINMUN today devotes its front page to "Let Us Achieve the Great Unity of Our Nation," the great leader President Kim Il-song's talks to senior officials of the Committee for the Peaceful Reunification of the Fatherland and members of the North side's headquarters of the Pan-Korean Alliance for National Reunification on August 1, 1991.

The paper prints a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Jamaican Prime Minister Michael Manley on the 29th anniversary of the independence of Jamaica.

It reports that President Kim Il-song received a message from Egyptian President Muhammad Husni Mubarak in reply to his message of greetings on the 39th anniversary of the July 23 revolution, the national holiday of the Egyptian people.

It carries an article on the story that dear Comrade Kim Chong-il trusts all officials as his revolutionary comrades and bestows deep comradely affection and favours on them.

The C.C. [Central Committee], the Workers' Party of Korea received a message from the C.C., the Communist Party of Vietnam in reply to its message of greetings to the seventh congress of the Communist Party of Vietnam, says the paper.

The daily reports that the month of physical examination of people for 1991 and the 11th Pyongyang international invitational table tennis tournament opened.

Printed in it is a letter of Mun Won-sun, a woman living in Pyongyang, to her sister Mun Ul-saeng in Cheju Island of South Korea under the title "Let Us Link the Broken Ties of Blood at an Early Date."

Seen in the paper is a statement issued by the spokesman of the DPRK Foreign Ministry on the conclusion of the Strategic Arms Reduction Treaty between the Soviet Union and the United States.

Appearing in the paper are a statement issued by the spokesman of Hanminjon [South Korean National Democratic Front, SKNDF] denouncing the No Tae-u ruling group's suppression of Chondaehyop [National Council of University Student Representatives], a statement of So Man-sul, vice-chairman of the Central Standing Committee of Chongnyon [General Association of Korean Residents in Japan], denouncing the South Korean puppets' moves to stifle Chondaehyop and a report that Nepalese organisations issued a joint statement demanding the release of woman student Yim Su-kyong and other visitors to the North.

Commenting on the fact that the South Korean authorities recently upgraded the puppet national police headquarters to "National Police Agency", the daily denounces it as a move to strengthen the repressive machine.

It is reported in the paper that solidarity with the Korean people's cause of national reunification and support to the DPRK's proposal for turning the Korean peninsula into a nuclear-free, peace zone were voiced in Vietnam, Syria and Guyana.

It informs the readers that the 11th Pan-American Games opened in Havana.

It reports that the leader of the Islamic Revolution of Iran, speaking at a meeting of Army commanders, called for the removal of the Zionist regime and the head of state of Burkina Faso mentioned the water problem of the country.

It introduces the efforts of people to build a new life in Jamaica, Egypt, Nigeria, Uganda, Tunisia and Tanzania.

It runs an article denouncing the construction of "settlements" in the Arab lands occupied by Israeli aggressors and an article on the growing disputes between the United States and its allies over the funds spent during the Persian Gulf war.

KCNA Review of 6 Aug Pyongyang Press

SK0608062191 Pyongyang KCNA in English 0458 GMT 6 Aug 91

[Press review]

[Text] Pyongyang August 6 (KCNA)—NODONG SINMUN today carries an editorial titled "Highly Important Guideline for National Reunification Through Great Unity of Nation" in connection with the publication of the work of the great leader President Kim Il-song "Let Us Achieve the Great Unity of Our Nation."

The press reports that old secret camps in Mt. Paektu forests belonging to the period of the anti-Japanese armed struggle have been restored to their original state.

NODONG SINMUN runs an article on the immortal exploits and precious experience gained by President Kim Il-song in establishing the people's revolutionary government in guerrilla zones in the period of the anti-Japanese armed struggle.

The press informs the readers of a grand inaugural ceremony of the "Havana-Pyongyang Friendship Fountain" built in Cuba as a gift of the dear leader Comrade Kim Chong-il.

NODONG SINMUN reports that the Central Committee of the Workers' Party of Korea received a solidarity letter from the chief coordinator of the South West Africa People's Organisation on the month of solidarity with the Korean people.

It is reported in the paper that Comrade Jiang Zemin met with a delegation of the Workers' Party of Korea and the Iranian president met with a government economic delegation of the DPRK.

Premier Yon Hyong-muk sent a message of consolation to his Indian counterpart, P.V. Narasimha Rao [name as received], on the flood damages suffered by India, says the daily.

The paper reports that crops are ruling [word as received] good in Yonbaek plain in South Hwanghae Province, a granary on the west coast.

It is reported in the press that a delegate of Chondaehyop of South Korea arrived in Pyongyang to attend the Paektu-Halla grand march for the promotion of national reunification to be held in the North, the delegate met with home and foreign reporters and the Korean Students Committee hosted a party for the delegate.

NODONG SINMUN reports that students left Pyongyang and other parts for Mt. Paektu to participate in the Paektu-Halla grand march for the promotion of national reunification and the runners of the "revolutionary relay race of youth vanguards" started from different parts to mark the first youth day (August 28).

The DPRK ambassador to Palestine paid a farewell call on the Palestinian president, says the paper.

Papers inform the readers that a contact of working-level delegates of the North and the South for inter-Korean high-level talks was held.

NODONG SINMUN carries an article on the vicious repressive moves of the U.S. imperialists and the South Korean authorities upset by the brisk dissemination and propaganda of the chuche idea in South Korea.

Papers report that Chondaehyop formed reunification vanguard units and started a grand march for the grand reunification festival of students and the national confederation of peasant associations, an independent organisation of the South Korean farmers is strengthening its activities.

It is reported in NODONG SINMUN that "international solidarity march for supporting Korea's reunification" started in more than 60 countries and the world public circles demand the release of all democrats of South Korea including coed Yim Su-kyong and Rev. Mun Ik-hwan.

The withdrawal of the U.S. troops and nuclear weapons from South Korea is urged in different countries, says the paper.

The press informs the readers that the Japanese paper MAINICHI SHIMBUN carried an article saying Koreans know how to keep the honour of the nation.

NODONG SINMUN reports that the international press centre of the 11th Pan-American Games was opened in Havana and the Military Council of the Baltic Military District of the Soviet Union issued a statement on the utterances of the president of the Supreme Soviet of Lithuania about a recent tragic conflict at a customs post in Lithuania.

The paper runs an article saying the tragedy of Hiroshima and Nagasaki must never be repeated.

MINJU CHOSON introduces Bolivia on her independence day.

The paper reports that a meeting of the group of the Asian countries of the Group of 77 was held in Geneva and the presidents of Argentina, Brazil, Uruguay and Paraguay met and [passage indistinct]

The great leader Kim Il-song elaborated on the urgency of national reunification in "Let Us Achieve Great Unity of our Nation," his talk to leading officials of the Committee for the Peaceful Reunification of the Fatherland and members of the North side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) on August 1.

Stating that national reunification is a question on which the destiny of our fellow countrymen is staked and a question related to the life of our nation, President Kim Il-song said:

I have never forgotten the misfortunes and sufferings of our nation even a day over the last half a century since the division of the country and have not spent a day without thinking of the reunification of our country.

Reunifying the country is the greatest desire of the entire Korean nation and there is no more urgent task for our nation than reunifying the county.

The reunification of our country must be attained independently in a peaceful way under all circumstances and, to this end, great unity of the entire nation must be achieved.

He first and foremost important thing in accomplishing the cause of national reunification is to achieve a great unity of our nation. The entire Korean nation should firmly unite on the basis of patriotism and the spirit of national independence under the banner of great national unity

True nationalism is immediately patriotism in our country of homogeneous nation. We should not only realise national reunification on the basis of the great unity of the nation but also build an ideal society for the people after the reunification of the country in reliance upon the unity and cohesion of the entire nation and see that all the people enjoy boundless happiness in this land.

President Kim Il-song stressed that the secret of our victory in the revolution and construction in the past period lies in that we gave precedence to the interests of the nation and struggled in reliance upon the united strength of the people.

South Korea

Application Submitted for UN Membership

SK0508232091 Seoul YONHAP in English 2259 GMT 5 Aug 91

[Text] Seoul, Aug. 6 (OANA-YONHAP)—South Korea submitted United Nations membership application Monday afternoon (early Tuesday morning Korean time) in New York and expects unanimous acceptance by the U.N. Security Council (UNSC) in a meeting Thursday.

The application letter, signed by South Korean Foreign Minister Yi Sang-ok, was delivered to U.N. Secretary-General Javier Perez de Cuellar by Amb. [Ambassador] No Chang-hui, chief of South Korean observer mission to the world body.

"On behalf of the Government of the Republic of Korea, I have the honour to inform you that the Government of the Republic of Korea herewith applies for membership of the Republic of Korea in the United Nations," the application said.

It is attached with a declaration, signed by President No Tae-u, that pledges South Korea "accepts the obligations contained in the Charter of the United Nations and undertakes to fulfill them."

The UNSC, after receiving a report from its committee on admission of new members, will deliberate applicant nations' commitment to peace and the U.N. Charter before deciding in a meeting expected Thursday to approve a resolution recommending the new memberships. The resolution approved by the UNSC means a virtual acceptance into the United Nations, becoming formal when the U.N. General Assembly adopts the final resolution deciding the new members on its opening day Sept. 17, Foreign Ministry officials said.

The General Assembly this year decides on memberships for South and North Korea, Marshall Islands and Micronesia. North Korea submitted separate application on July 8 but the applications by the two Koreas are most likely to be treated as a single item by the UNSC.

Both the Security Council and the General Assembly are expected to adopt the resolution through consensus rather than putting them to a vote.

Dialogue Viewed on South, North UN Entry

SK0608044791 Seoul YONHAP in English 0216 GMT 6 Aug 91

[By Yi Tong-min]

[Text] Seoul, Aug. 6 (OANA-YONHAP)—South Korea is closer than ever before to becoming a member of the United Nations, and to claiming a hard-won status that will redraw inter-Korean relations and redefine South Korea's place in global politics.

Seoul submitted its U.N. membership application on Monday and the security council is expected to adopt a resolution by Friday recommending that both South and North Korea be granted entry.

North Korea handed in its application July 8.

Given the universality of U.N. membership, the entry of the two Koreas carries no greater significance than the entry of any other country. It is, however, testament to the end of the cold war.

South Korea has applied five times before—in 1949, 1951, 1961 and in July and September of 1975—and each time had its application vetoed by the Soviet Union.

North Korea's two previous bids, in 1949 and 1952, were also killed in the Security Council.

If the introduction of resolutions by allies of South and North Korea are also counted, this will be Seoul's 15th try and Pyongyang's sixth, proof of the icy confrontation between East and West.

Both South and North Korea will assume a new role in the international political arrangement as they take their seats in the United Nations. Membership gives the two independent voices, and gives them voting rights on international issues ranging from military and political matters to women's and children's welfare.

From South Korea's standpoint, the United Nations may be a valuable forum for developing its relations with North Korea. Now that Seoul and Pyongyang have been brought together to an international negotiating table, they are at the crossroads that will decide if the two countries can successfully work toward national reunification.

By acquiring separate U.N. membership, the two Koreas will, in fact, be recognized as two independent entities. With pledges to abide by the U.N. Charter, which sets the purposes and principles for maintaining international peace and security and suppression of aggression or breaches of the peace, South and North Korea may eventually untangle their knotted relations of distrust and confrontation.

"Both sides are expected to focus heavily on the UNGA (United Nations General Assembly) First Committee, which deals exclusively with political, arms reduction and securities matters," said an official at the Foreign Ministry.

"This is where the two Koreas will debate Pyongyang's demands for a pullout of American troops and removal of the U.S. nuclear arsenal in South Korea, where Seoul will insist on North Korea's implementation of the nuclear safeguards accord," he said.

South Korea's emphasized attention on the First Committee was indicated by Foreign Minister Yi Sang-ok. In a recent meeting with the press, he said Seoul-Pyongyang bilateral matters should be left for negotiations through traditional channels, mainly the prime ministers' talks and other inter-Korean contacts through the truce village of Panmunjom.

He said, however, his government was considering creating a new ambassador-level post in charge of military affairs to handle negotiations at the UNGA First Committee.

In the long run, the continued meetings and open debates will hopefully narrow the differences between South and North Korea so the two sides can build confidence, eventually toward national reunification, officials here say.

Added hopes come from non-political sectors, primarily economic cooperation through the United Nations.

North Korea last week officially invited South Korea to attend the Asian group ministerial meeting of the group of 77, a subgroup of the U.N. Conference on Trade and Development (UNCTAD), in Pyongyang on Sept. 7-12.

The two sides will meet in China when South and North Korea, host China, Japan, the United States, the Soviet Union and Mongolia discuss development of the North Korean side of the Tuman River through the U.N. Development Program Aug. 27-30.

For North Korea, which still is reluctant to directly cooperate with South Korea, the global body will serve as a valuable bridge.

No Chang-hui, chief of South Korea's U.N. observer mission, has predicted, however, that the short-term effects are likely to be negative.

"When two rivals are brought to the negotiating table for the first time, they are bound to fight hard," he said. "In one sense, U.N. entry could not provide a better opportunity for South and North Korea to warm up to each other. On the other hand, however, the two sides could engage in even more heated competition."

The United Nations could well become a new battle ground as Seoul and Pyongyang compete to win international support. Both sides will lobby hard to gain new friends as South Korea fast approaches China and North Korea woos Japan and the United States, and the global forum will become the arena for a diplomatic contest.

"What we should note is that Pyongyang will not gain international support if it remains the hermit kingdom it is now. While lobbying for new friends at the United Nations, it will be forced to readjust its diplomatic policies and gradually open up its society to the rest of the world," another Ministry official said.

"This, in itself, will be a great improvement for inter-Korean relations," he said.

The United Nations will finally bring South and North Korea to address each other at an international level. What will come out of this long-awaited meeting will depend wholly on how committed the South and North Korean Governments are to working together for national reunification.

U.N. Envoy Predicts Stronger Voice in Affairs

SK0608045291 Seoul YONHAP in English 0021 GMT 6 Aug 91

[Text] United Nations, Aug. 5 (OANA-YONHAP)—No Chang-hui, chief of South Korea's observer mission to the United Nations, predicted Monday that membership of the world body would give his country a bigger voice on the international stage and provide it with a valuable opportunity to improve inter-korean relations.

"There is no doubt that by joining the United Nations, South Korea will be able to register its own voice on international peace, stability and other world issues," No said after submitting Korea's entry application.

"But we must thoroughly study what kind of a voice it is that we want to speak out with," the ambassador said.

Korea took the first official step toward acquiring a seat in the global organization when No handed Seoul's membership application to U.N. Secretary-General Javier Perez de Cuellar.

North Korea applied July 8, but the applications of the two Koreas are most likely to be handled as a single item when the Security Council draws up a resolution recommending new members on Thursday morning.

Seoul had to keep trying to redirect North Korea's thinking on inter-Korean issues, such as its strategy to unify the Korean peninsula through a revolution, he said.

Pyongyang would, as time passed, abandon its unrealistic policies, No predicted.

Relations between South and North Korea had dramatically changed and if the situation continued to develop at the current pace "the basis for national reunification can be formed within this century," he said.

Unification Board To Post Officials for UN

SK0608132291 Seoul YONHAP in English 1014 GMT 6 Aug 91

[Text] Seoul, Aug. 6 (YONHAP)—The National Unification Board (NUB) seeks to post three NUB officials in the South Korean mission to the United Nations to exclusively handle unification of the Korean peninsula.

With admission to the world body by South and North Korea assured this month, the board is consulting the dispatch of unification attaches with the Foreign Ministry and other relevant government agencies, a spokesman for the board said Tuesday.

The board also plans to post two more unification attaches in the embassy in Germany in addition to one who was sent to study the process of East and West Germany, he said.

North Urged To Discuss Cross-Country March

SK0308020191 Seoul THE KOREA HERALD in English 3 Aug 91 p 3

[Tex] Seoul again urged Pyongyang to accept its proposal for joint celebration of Liberation Day Aug. 15 between the two Koreas.

Kim Chang-sik, chairman of the preparation committee for a cross-country pilgrimage for Liberation Day, sent a message to Yun Ki-pok, vice chairman of North Korea's Committee for Peaceful Unification of the Fatherland, and offered a preliminary meeting at Panmunjom before Aug. 10 to prepare for the event.

"The cross-country march is aimed at making a breakthrough for free cross-border travel between South and North Korea and therefore, should be realized without fail," he said.

Students To Participate in Pyongyang Event

SK0308040791 Seoul YONHAP in English 2355 GMT 2 Aug 91

[Text] Seoul, Aug. 3 (YONHAP) - Chondaehyop [National Council of University Student Representatives], South Korea's activist student group, said Friday night that it is sending a representative, now staying in Berlin, to the North Korean capital of Pyongyang to participate in an inter-Korean march intended to dramatize unification of the Korean peninsula.

In a news conference, Chondaehyop said Pak Song-hui, 22, a senior of Kyonghui University of Seoul, will go to Pyongyang to attend the Pyongyang-initiated "pan-national march," set for Aug. 5-10 in North Korea.

Pak left the country, along with another Chondaehyop official, Song Yong-song, 22, late in June for Berlin to take part in a preparatory meeting of the proposed march from Mt. Paektu bordering China and the truce village of Panmunjom. The two met with their North Korean counterparts to discuss preparations for the event and have since stayed there.

The student organization said Pak is scheduled to return home Aug. 13 via Panmunjom after participating in the event. On entering the country, she is certain to be arrested for visiting North Korea without government permission, as was Yim Su-kyong, now in jail for her visit to the North as representative of the student group.

G-77 Invites South to Sep Meeting in Pyongyang

SK0308040391 Seoul YONHAP in English 0134 GMT 3 Aug 91

[Text] Seoul, Aug. 3 (YONHAP)—South Korea received a formal invitation Friday to attend the 7th Asian ministerial meeting of the Group of 77 [G-77] on Sept. 7-12 in Pyongyang, the Foreign Ministry said Saturday.

Seoul will send a 10-member delegation led by Vice Foreign Minister Yu Chong-ha to the G-77 meeting and has begun selecting delegates, a Foreign Ministry spokesman said.

The delegation will include officials from the Economic Planning Board, the Trade and Industry Ministry and the Energy and Resources Ministry, he said.

The G-77 is part of the U.N. Conference on Trade and Development (UNCTAD), established in 1964 to promote better international trading conditions for developing nations. South Korea joined the group, which originally had 77 members, in 1964 and North Korea in 1973. UNCTAD now has 127 member nations.

South Korea might ask North Korea for a meeting of liaison officers to discuss procedural matters for its delegation to reach Pyongyang by way of the truce village of Panmunjom.

N-S Linguists To Meet in PRC 12-14 Aug

SK0608130891 Seoul YONHAP in English 0853 GMT 6 Aug 91

[Text] Seoul, Aug. 6 (YONHAP)—A government official and two linguists from South Korea plan to meet with a team of North Koreans in China next week to discuss ways to promote the homogeneity of the Korean language, the Culture Ministry said tuesday.

Kim Kwang-in, director-general of the ministry's Language and Publication Bureau, An pyong-hi, director-general of the National Academy of the Korean Language, which is under the control of the ministry, and Chon Su-tae, an academy researcher, left Seoul on Monday to attend an international meeting on Koreanology organized by Yanbian University in Jilin Province on Aug. 12-14.

A North Korean official and scholars of the North's Academy of Social Sciences are to take part, and the South and North Koreans are expected to discuss changes their mother tongue has undergone in both halves of the country since 1945, when the Korean peninsula was divided.

Officials of the two Koreas reached an accord on romanization of Korean at a meeting of the international organization for standardization in May in Denmark.

Joint Ventures With U.S. in East Europe Viewed

SK0608025991 Seoul THE KOREA HERALD in English 6 Aug 91 p 6

[Text] Korea-U.S. joint ventures or consortia are desirable for cooperation in third-country markets, Minister of Trade and Industry Yi Pong-so said yesterday.

"I mainly have in mind Eastern Europe with all of which Korea now has full diplomatic relations, and China," Yi said. "As these nations seek to rebuild their crumbling infrastructures, I believe they would welcome the participation of U.S.-Korean joint ventures or consortia."

He was speaking in a luncheon for participants in a Seoul seminar organized by the Center for Strategic and International Studies of the United States.

Touching on trade frictions between Seoul and Washington, the Korean minister said, "There were many specific areas of disagreement, but they all originated from Korea's growing trade surplus with the United States."

"Certainly at the government level, the United States and Korea currently have few disagreements on economic and trade issues," he said.

Most of the remaining bilateral frictions occur at the level of individual companies, Yi said, adding, that as the area of contract expands, the points of possible friction necessarily increase as well.

Korea, which suffered chronic deficits in trade with the United States, first saw a trade surplus in 1982 and the surplus figure neared $10 billion in 1987. It has since declined and Korea is running a deficit in trade with the United States this year.

"I truly believe that the 'era of confrontation' is now behind us," Yi went on," and henceforth, we can concentrate our efforts on more positive goals than simply resolving disputes."

To a large extent, this must be the work of the private sector, he said. "Government can set the stage for cooperation, but individual companies and business people must play the principal roles."

The seminar, the ninth since the inaugural meeting in July 1982, is held alternately in Seoul and Washington.

"Trade will continue to be the linchpin (in our future partnership), but the pattern of our trade will move increasingly upscale," Yi said.

Korean companies are already transferring their labor-intensive assembly lines offshore, mostly to Southeast Asia.

"Industrial cooperation is one of the most promising growth areas in the bilateral relationship and the idea here would be to combine American high technology with Korea's manufacturing base in such fields as high definition TV, semi-conductors and aerospace," he stressed.

Touching on the Uruguay Round, global trade negotiations under the General Agreements on tariffs and Trade (GATT), Minister Yi said, "Like the United States and other participants, we attach the highest priority to these negotiations."

Obviously, there is little that Korea can do on its own to decisively affect the outcome. It has tried to play a mediating role between the developed and developing nations.

"In the past six months, we have substantially revised our own bargaining position, including acceptance of the American zero-for-zero proposal." Yi said, adding that Korea has also generally supported the U.S. position in separate multilateral negotiations on steel, shipbuilding and textiles.

On the opening of the Korean market, Yi said such an objective involves nothing less than a major overhaul of domestic legislation, regulations and administrative structures.

"Many of our foreign friends, especially businessmen, complain that we are moving too slowly, but on the other hand, many of our own citizens feel that we are going too fast," the minister of trade and industry said.

Worry of Racism Based on 'Misunderstanding'

SK0608032591 Seoul THE KOREA TIMES in English 6 Aug 91 p 6

[Editorial: "Racism in Korea"]

[Text] There seems to be a growing worry that racism is budding in this society with foreign residents citing what they call hate crimes taking place in considerable numbers. Yet, we find misunderstanding is basically the cause of the problem, if it exists, and believe the real situation does not warrant portraying things in paranoiac proportions.

In the foreign community here, we notice a regrettable trend for any incident with a racial flavor to be passed from ear to ear in a grossly exaggerated way that increases common anxiety.

In foreigners' churches and community gatherings, groundless rumors of gang rapes and muggings victimizing foreign residents here are introduced and accepted as facts. The long-hardened distrust of the local media among foreigners here seems to be aggravating the situation.

Political and economic campaigns, whenever they involve international subjects, are seen by foreigners as the exposure of the people's racial antipathy, though they are more often than not directed toward their own government or are in nature the expression of national pride.

Foreigners in general put too much emphasis on Korea's being a racially homogeneous society, trying to magnify even unrelated happenings as ramifications of this national character.

However, in a single-race society like Korea, a more correct observation would be that relations between the local and alien peoples are largely shaped as those of hosts and guests, and the Confucian background here certainly provides a basis for increased friendliness in such contacts.

As for relations with Americans, "Yankee Go Home" had been a totally irrelevant slogan here until the early 1980s when the unfortunate Kwangju incident raised a question about the U.S. role in the bloodshed, chiefly not for what the U.S. did but for what it did not. [sentence as received]

It is true that anti-Americanism infected the nation's campuses at a rather rapid pace in the following years but that particular phenomenon was part of a general upsurge of leftism that included pursuit of classic Marxism-Leninism and even Kim Il-song's "Chuche" ideology.

The 1988 Seoul Olympics, supposedly a festival of global harmony and friendship, served to harm Koreans' attitudes toward the outside world, especially toward Americans. Some U.S. mass media were blamed for biased handling of a few episodes, but a suddenly exalted sense of pride among Koreans as the hosts of the big event might have made them overreact to any negative criticism.

In more recent days, economic problems have helped widen the emotional distance between Koreans and Americans. One particular case was the row over the local anti-consumerism campaign targeted at foreign goods.

Despite involvement of some semi-official organizations, the frugality drive was largely spontaneous as general citizens, long obsessed with the vital importance of exports to the economy of their resources-poor country, have grown to be extremely allergic to imports.

Foreigners, including Americans, tend to be sharp in the assessment of negative factors in the host nation's culture and systems, thereby often giving valuable advice to us. Yet, unfortunately, they are somewhat slow in recognizing improvements, or are reluctant to correct their original judgments even in the face of evident change.

The pace of change is fast in contemporary Korea. Now, mass media generally reflect the facts and truth and people are fairly immune to any government efforts at public manipulation. Society still contains many drawbacks but democracy is taking root rather rapidly in various sectors in corners which foreigners may find it hard to get access to.

A liberal society definitely has less reason to be xenophobic. As people become open-mined and independent-thinking, foreign ers are seen and accepted as just different people, not as representatives of any competing interest.

Rest assured, tens of thousands of foreign military personnel, their dependents, missionaries, language teachers, business people and plain residents who chose to stay in this country despite the chocking urban pollution, exorbitant inflation, traffic jams and cumbersome immigration rules. Friendship is mutual.

DLP Official Returns From USSR

SK0308020791 Seoul THE KOREA HERALD in English 3 Aug 91 pp 2, 3

["By Kim Chong-chan Staff reporter"]

[Text] Parliamentarians of South Korea and the Soviet Union have agreed to inaugurate a friendship body this fall in a move to help strengthen bilateral relations, a senior ruling party official said yesterday.

Kim Yun-hwan, secretary-general of the Democratic Liberal Party [DLP] who returned home July 29 from a 10-day visit to the Soviet Union, said he was told that the

Soviet parliament will pass a motion calling for establishment of the association as soon as it convenes in September.

Kim, who has been designated as Korean-side chairman of the projected body, said similar legislation will clear the Korean legislature during its regular session opening in mid-September.

The body will consist of about 60 parliamentarians, 30 from each side, he said in an interview. "I think it will help promote exchanges of visits between the two countries," Kim said.

Seoul and Moscow normalized ties last year.

The 59-year-old government party official visited the Soviet Union for the first time at the invitation of the Kazakh republic's p arliament, accompanied by Reps. Kim Han-kyu, Cho Kyong-mok, Kim Ki-pae and Ham Chong-han, all affiliated with his party.

During the visit, the Korean politicians met with Nursultan Nazarbayev, president of the Kazakh republic who is said to be energetically pursuing economic development.

"Discussions focused on the promotion of economic cooperation between Korea and the republic, inter-Korean relations and the unification of the Korean peninsula," Kim Yun-hwan said.

He said Nazarbayev has not proposed any specific economic cooperation programs.

He said people in Kazakh appeared to have a favorable impression of Korea because of the diligence shown by ethnic Koreans there.

Some 100,000 ethnic Koreans live in the republic which is second in size among the 15 Soviet republics, following Russia. Kazakhstan abounds in natural resources such as coal, petroleum, natural gas and iron ore.

Nazarbayev signed an agreement for setting up a sisterhood relationship between Taegu, the third largest city in Korea, and Alma-Ata, the republic's capital, when he visited Seoul in November last year.

While in the Soviet Union, the Korean lawmakers also met with Soviet Vice President Gennadiy Yanayev, Leningrad Mayor Anatliy Sobchak and Soviet parliamentary leaders.

Kim said Yanayev showed much interest in the notable economic development Korea has attained in the past decades.

The Soviets demanded to know how Koreans achieved such rapid economic growth in such a short period, he said.

They also questioned how they could improve their living conditions.

The DLP secretary-general said he attributed Korea's economic development in part to the Saemaul Undong (New Community Movement) and the Koreans' can-do spirit.

"We and our Soviet hosts shared the view that the combination of Korean technology and ample Soviet natural resources could be of great benefit to the economic development of the two nations," he said.

Kim said Soviet officials seemed well aware of the need for the inception of "merits" of the free market economy and the private ownership system because of their economic straitjacket which was partly caused by low productivity.

He said he saw many Soviets lining up in the streets, to buy American McDonald's hamburgers, French Lancome cosmetics and other items.

South Korea early this year pledged $3 billion to the USSR in cash and product loans.

Expressing hope that the spirit of the reconciliation which led to the decision to disband the Warsaw Pact in Europe will also be shown on the Korean peninsula, the Soviet leader said Moscow is closely watching political and economic developments here.

Bank Seeks Offices in Moscow, Jakarta, Sydney

SK0508033091 Seoul YONHAP in English 0124 GMT 5 Aug 91

[Text] Seoul, Aug. 5 (YONHAP)—The state-run Korea Development Bank is expected to seek government permission soon to open an office in Moscow next month as part of a push to expand its overseas network, a banking source said Monday.

The bank will submit its application after opening an office in Jakarta on Aug. 19, and another in Sydney, Australia, on Aug. 21, the source said.

It also wants to extend its reach to Beijing, but because of difficulty obtaining Chinese approval, it will wait until Seoul and Beijing establish diplomatic relations.

Korea and China currently maintain trade representative offices with consular functions.

The bank will upgrade its Tokyo office, established in 1969, to a branch on Oct. 22 and is considering reorganizing its offices in Zurich, Budapest and New York into locally incorporated companies, the source said.

Hyundai Official Interviewed on PRC Trip

SK0408133891 Seoul CHOSON ILBO in Korean 28 Jul 91 p 5

[Interview with Chong Chu-yong, honorary chairman of the Hyundai Business Group, by Choe Chun-myong, assistant editor in chief; Pyon Yong-sik, chief of the

Economic Department; and Sung In-pae, reporter of the Economic Department, on 27 July at the Hyundai Headquarters in Seoul]

[Text] Leading a large, 60-man delegation, Chong Chu-yong, honorary chairman of the Hyundai Business Group, visited China, returning on 26 July. Choe Chun-myong, assistant editor in chief; Pyon Yong-sik, chief of the Economic Department; and Sung In-pae, reporter of the Economic Department, met him at his office at Kye-tong, Chongno District, Seoul, on the morning of 27 July and listened to his opinions on the prospects of the establishment of ROK-Chinese diplomatic relations and ROK-Chinese economic cooperation, the economic situation in the ROK, and other matters. The following is the interview:

[CHOSON ILBO] Chairman Chong, your visit to China has been the focus of public attention because a large civilian delegation accompanied you. Why did you visit China?

[Chong Chu-yong] Because of North Korea, China has tried to separate political affairs from economic affairs. We have a dire need to establish diplomatic relations with China, while economic affairs are more important to China. I visited China at the invitation of Zheng Hongye, chairman of the China Council for the Promotion of International Trade. We paid this visit to contribute to establishing diplomatic relations by promoting civilian-level friendship and cooperation and to fulfill economic purposes. It is not necessary for that many people to go to China just for economic purposes.

[CHOSON ILBO] The establishment of diplomatic relations between the ROK and China is a political matter. Therefore, this is not a matter that businessmen should handle, is it?

[Chong] This is what the government should do. However, I became involved in this because no diplomatic relations have been established between the two countries. High-ranking Chinese officials are unwilling to meet our side's officials because diplomatic relations have not been established.

Minister [of Sports and Youth] Pak Chol-on met his Chinese counterpart. That was all. Last year, Yi Han-pin, the chairman of the International Private Economic Council of Korea at the time; [Retired] General Kim Pok-tong; Kim U-chung, Daewoo chairman; and various other people visited China. However, Chinese ministers declined to meet with them. They did so because of North Korea.

[CHOSON ILBO] Which places did you visit in China?

[Chong] I visited the Yanji Korean Autonomous Prefecture and met Korean compatriots there. I also went to the (Haeran) River; Chongsan-ri, a battle site; and Mt. Paektu, which is the symbol of our nation. When I saw North Korea, which is located at the other side of the Tuman River, across from Tumen, I was truly moved. Crossing a river was enough to get to North Korea. All the signboards in Tumen were written in Korean. I thought it was very good. The autonomous prefecture arranged this. In Yanbian, I invited 70 prominent men from various social strata to a dinner and talked much with them. When we visited Yanbian University, we were moved to see the university making efforts to preserve Korean culture through education. We collected $100 from each [as published] and donated $12,000 to the university.

[CHOSON ILBO] Whom did you meet in China?

[Chong] I met many officials from economic ministries. Vice minister-level officials came to our hotel to meet with us; to meet ministers, we had to go to their offices. Among the economic ministers we met, the minister of aeronautics and aeronautics industry boasted of China by saying: "China is a country that launched the biggest satellite in the world." Senior [as published] Vice Premier Tian Jiyun and Vice Premier Zou Jiahua were the most prominent among the Chinese officials we met. Vice Premier Zou Jiahua is an important official who is expected to succeed Premier Li Peng.

[CHOSON ILBO] How did you select members of your delegation? Some people said that you yourself selected them.

[Chong] I personally selected them. I selected them, irrespective of their party affiliations. Mrs. Kang Pu-cha, a representative of cultural circles, sang very well. Her songs pleased everyone during our trip. Everyone wanted to get on the bus Mrs. Kang was on. It was good to take many professors to China.

[CHOSON ILBO] Would you explain the large-scale trade market that is said to be established in Hunchun?

[Chong] Vice Premier Tian Jiyun announced what had already been decided. The plan calls for North and South Korea, China, and the Soviet Union to freely trade goods. I heard that North Korea had approved of the plan. This will be a very good economic channel for North and South Korea if North Korea participates in this project. Hunchun is quite a big city and very convenient for the four countries in which to trade goods.

[CHOSON ILBO] You said that you think that diplomatic relations will be established between the two countries next spring, at the latest, did you not?

[Chong] Yes, I said I think so. Whenever we and Chinese people meet each other, we stress a need to establish diplomatic relations, while the Chinese people talk only about investments. High-ranking Chinese officials unanimously asked us to invest in China because the establishment of diplomatic relations is a matter of time. If this is a matter of time, when is that time? I asked the Chinese side to establish diplomatic relations with the ROK in September, when the North and South enter the United Nations simultaneously. I think that China has its rights and duties as a permanent member of the United Nations Security Council. If China, which has diplomatic relations with North Korea, continues to discriminate against South Korea even when North and South Korea are about to enter the United Nations simultaneously, this is unfair. Is it not correct? However, it was more difficult to know the Chinese people than the Soviets because of their many faces.

[CHOSON ILBO] How did the Chinese Government treat your civilian delegation?

[Chong] The two vice premiers, Tian Jiyun and Zou Jiahua, posed for pictures in front of the Great Hall of the People, and the State Planning Commission gave a briefing on the Eighth Five-Year Plan. This is completely different from the Chinese people's past attitude. We met numerous ministers. This means that China, without trying to read North Korea's mind, has completely promoted relations of friendship with the ROK. Chairman Zheng Hongye, a minister-level official who invited us, accompanied us all along, even on our way to Mt. Paektu. In this way, he tried very hard to help us during our visit. At Tianjin Airport, we disembarked from our plane on a mobile ramp.

[CHOSON ILBO] What fields did the Chinese ask you to invest in?

[Chong] They were automobile plants and ship repair dockyards. Ship repair dockyards involve a minimal amount of money. China strongly hopes to build automobile plants that manufacture vans. Diplomatic relations must be established to ensure that this does not end in mere talk. I am planning to further discuss these issues when I visit China again, in September. I have been asked to give a special lecture at Beijing University. When Beijing University President Wu Shuqing asked me to give a special lecture on the free market economy, I said: "If I do, student demonstrations will increase. Is it still all right?" He said that "it was all right." (laughter) Then, I said: "I will take precautions in giving my lecture to ensure that no demonstration will take place. I am planning to take many technicians with me when I visit China in September.

[CHOSON ILBO] How did China assess the ROK's economy? What do you think of China's economic situation?

[Chong] I visited an automobile plant, a joint venture with Japan's Daihatsu. There, I strongly felt that Japanese people are unique. I again realized that the Japanese people invest in developing countries just to exploit them. Molds are very elementary in the automobile industry. All the molds this plant uses were imported from Japan. Japan should have taught China how to make the molds, at least, because it established a joint venture with China. The plant was similar to one that we had 20 years ago. It was very, very outdated. Still, we heard that this plant is manufacturing cars similar to the Soviet Union's Lada cars and exporting them to the Soviet Union. This means that the Soviet Union is in a sorrier state. Hyundai will soon export cars to the Russian Republic in the Soviet Union. The Soviet side has asked us to.

[CHOSON ILBO] What should our businesses pay attention to when doing business with China?

[Chong] When drawing up an investment contract, a lawyer must be along. One must assume a very prudent attitude when doing business with China. The Soviets are relatively frank, but because the Chinese are keen in carrying out business, there is a need to be all the more prudent.

[CHOSON ILBO] Currently, the world's economies tend to establish blocs. Was China interested in the Northeast Asian cooperation structure?

[Chong] Japan is the country that is planning this kind of structure. However if Japan takes the initiative, I do not think other Asian countries will cooperate very well. This is because the Asian countries that experienced Japan's invasion in the past and its Greater Asian Coprosperity Sphere will not trust Japan. Recently, a member of Japan's Federation of Economic Organizations made a similar proposal saying: "If Chairman Chong takes the initiative, we will help promote this from the side." I believe that the reason for this kind of proposal was because the Japanese realize they will not be trusted by other Asian countries. Personally I do not think it is time yet to carry out this kind of structure. I do not think the trend of establishing blocs in the world's economies, such as the EC, is desirable. Whatever the case, it is risky to carry out any kind of work with Japan.

[CHOSON ILBO] What was your impression of the fellow countrymen in Yanbian after meeting with them?

[Chong] In Yanbian, there are three governments [chongbu]: The pro-South Korean government; the pro-North Korean government; and the Korean [chosonjok] government. I felt that the Koreans in Yanbian were playing a big role in trying to reconcile North and South Korea. It treats North and South Korea exactly the same without any discrimination.

[CHOSON ILBO] Chairman Chong, you once forecast that North and South Korea would be reunified in three years. Because President Kim Il-song is currently showing changes, such as making remarks that recognize the reality of the international situation, do you still think that reunification can be achieved within three years?

[Chong] What I mean is that political reunification will not be achieved within three years but I believe that it will be possible to achieve economic reunification within three years. This is because China is continuing to urge North Korea to open up. China was the country that encouraged North Korea to submit its application to enter the United Nations and to reveal its intention of resuming the North-South premiers talks. However, high-ranking figures from the Chinese Government whom I met said that because North Korea's self-esteem is so high, an adverse result may occur if things do not go right. I heard that recently China urged North Korea to establish an ROK trade mission in Pyongyang. It is true that North Korea is not yet as broad-minded politically as China, but I believe that by late next year, even if a trade mission has not been established, it will be possible to carry out direct trade between North and South Korea.

[CHOSON ILBO] Since your visit to North Korea, how are the North-South Korea joint venture projects, such as the Mt. Kumgang joint development and the establishment of the Wonsan shipbuilding yard, progressing?

[Chong] There is absolutely no progress at all. North Korea is asking us why we are not going to North Korea to pursue these projects, but every time we reply by saying: "I do not think your side is ready yet." I plan to visit North Korea some time late next year. I plan to promote the projects that were already discussed once again at that time.

[CHOSON ILBO] Since you visited China with a large-scale delegation, people are saying that you are "in the process of planning to form new politics." Also Chongwadae [presidential staff] is displeased with you by saying that you are overacting. Do you have any interest in politics?

[Chong] This is a misunderstanding. Whatever the case, business comes first. We must acknowledge that politicians are the ones who must make businesses run well and that businessmen are the ones who must work to carry out good politics.

[CHOSON ILBO] Then do you think politics for the economy are being carried out well?

[Chong] I believe that they are just passable (laugh).

[CHOSON ILBO] What do you think about Deputy Prime Minister Choe Kak-kyu's policy of moving away from group management and turning to the individual business and independent management system?

[Chong] In the current situation, where credit is being controlled by each groups, I do not think that many businesses will be able to survive. If this new policy is carried out gradually with a six month grace period, then it might work. Because the government is suddenly trying to carry this out, businessmen are opposing it strongly. I believe that Deputy Prime Minister Choe's policy is future-oriented.

[CHOSON ILBO] Do you think that Korea's economy is moving toward an international and worldwide one?

[Chong] Korea's interest rate is too high. Generally the foreign interest rate is about 8 percent, but with Korean businesses using an interest rate of 18 percent, it is difficult to be internationally competitive. The government must provide for the interest rate and the foreign exchange rate to be competitive internationally, and businesses must concentrate on promoting international competitiveness in the manufacturing industry.

[CHOSON ILBO] Do you think that Korea's economy is moving in a healthy direction?

[Chong] I do not think so. If the economy is to be healthy, the people's minds must be healthy, but this is not so. If Korea's economy is to become healthy, first of all the balance of payments must go into the black. This all the more so in a country where there are no resources.

Regardless of his advanced age, after holding the interview for one and a half hours, he left for Kangnung to give a special lecture to poets who are attending a seminar and to the newcomers of the Hyundai group who are participating in the summer training program.

Textile Makers Strive To Set Up Joint Ventures

SK0608044991 Seoul YONHAP in English 0242 GMT 6 Aug 91

[Text] Seoul, Aug. 6 (YONHAP)—An increasing number of South Korean textile makers, hard pressed to overcome labor shortages and high wages, are turning to China, where workers are abundant and cheap.

China was the best place for labor-intensive industries because the average wage was 50 U.S. dollars a month, one-tenth the pay in Korea, and it was easy to find workers, the Korean Textile Federation said Tuesday.

Ess Ess Fashion, a subsidiary of Samsung Moolsan, the trading arm of the Samsung Group, heads a list of 10 textile and garment firms trying to set up shop in China through joint ventures.

Samsung has just finished consultations in Beijing on a joint-venture project that is expected to get off the ground next year, according to a Federation source.

The joint ventures deal with knitwear, apparel, business suits and textile lines.

Barter Contract Signed With Burma

SK0608035791 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Aug 91 p 7

[Text] Korea Trading International (KOTI), a specialized trading firm which handles exports for small exporter's exclusively, has signed an $8 million barter trade contract with the Agriculture-Forestry Ministry of Myanmar [Burma], industry sources said.

Under the contract, Korea Trading International will export $4 million worth of farm implements and industrial chemicals to Myanmar in return for $4 million worth of natural rubber from Myanmar.

As part of the contract, both sides have opened initial letters of credit each amounting to $500,000, the sources said.

The natural rubber imported from Myanmar will be supplied to small-sized Korean end-users such as makers of footwear and auto parts beginning in August, the sources said.

Korea Trading International has agreed with its Myanmar partner, in principle, to export $2 million worth more of pharmaceuticals and industrial plants to that country, the sources said.

Korea Trading International plans to dramatically expand its barter trade transactions with Myanmar in a move to boost this year's two-way trade to at least $10 million, the sources said.

Industrial Bank To Open Tianjin Jakarta Offices

SK0608042491 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Aug 91 p 3

[Text] The Industrial Bank of Korea, a government-run bank specialized in financial services to small-and medium-sized businesses, will go abroad with the opening of representative offices in Tianjin, China; Jakarta, Indonesia; and Los Angeles, the United States, within this year.

To this end, the bank will shortly apply for the Finance Ministry's green light.

The office in Tianjin will be a preparation for its financial services to Korean small-and medium-sized businesses to be operating in the Korean export industry estate to be created in China by the Korea Land Development Corp. and others, bank officials said.

The bank is also planning to promote its representative office set up in London in 1981 to the status of a wholly-owned subsidiary bank to prepare for its business expansion into Europe after economic integration in 1992

Taiwan Exchanges Memorandum of Understanding

SK0308023791 Seoul THE KOREA HERALD in English 3 Aug 91 p 6

["By Yi Kap-su Korea Herald correspondent"]

[Text] TAIPEI—Korea and the Republic of China [ROC] exchanged a memorandum of understanding Friday here to promote economic cooperation in the field of construction.

The two countries also agreed to expand mutual investment in major programs, including those set for the ROC's ambitious six-year development project, and to exert joint efforts to correct their chronic trade imbalances with Japan through brisk exchanges of commodities and technology.

Winding up the 24th Korean-Chinese Economic Ministerial Conference, Taipei also increased its 1991 import quota for Korean-made passenger cars by 30 percent from last year, to 8,788, while Seoul promised to lift import restrictions on ROC-produced tea and eels in 1994.

Both sides resolved to seek bilateral cooperation in the finance and science sectors.

In line with this, the Korean government will soon give the green light to Kwangju Bank, a provincial-based financial institution in Korea for the set-up of an office in Taiwan. Kwangju Bank will be the first Korean commercial bank to operate here.

Minister of Finance Yi Yong-man represented the 23-member Korean delegation at the two-day annual event, while the 29 ROC delegates were led by Vincent C. Siew, minister in charge of economic affairs.

Also on hand at the Seoul-Taipei ministerial meeting was Pak Yong-hak, chairman of the Council for Korea-China Economic Cooperation.

Noting that the trade volume between Seoul and Taipei accounts for a mere 2 percent of each country's total, the Korean side said that there is considerable room for further expansion by capitalizing on the great economic potential of the two countries.

The Korean side also said that the importance of bilateral economic cooperation can not be overemphasized, considering ever-intensifying global protectionism and the integration of EC (European Community).

The Korean delegation asked the ROC to allow Korean construction firms to participate in the six-year economic development projects under favorable conditions and to lift import barriers on Korean- produced passenger cars, apples and pears.

The Chinese side demanded that Taipei and Seoul conclude an investment guarantee pact in the immediate future for closer bilateral economic ties.

Taipei also asked Korea to play a role in helping ROC attain membership in the GATT (General Agreement on Tariffs and Trade), regardless of the improving relations between Korea and mainland China.

Noting that the rapid pace of industrial development in Korea and Taiwan has brought about higher wage hikes in both countries, the Chinese delegation said the two countries should seek ways to solve the problems and sharpen competition with newly developing Southeast Asian countries, and mainland China.

The Chinese side also expressed hope that competitive Korean enterprises will actively participate in the Taipei's six-year economic development project which started early this month in the fields of transportation, telecommunications, science-technology and housing construction, as well as the tourism sector.

The Korean delegation is scheduled to leave here for Seoul Saturday morning.

Taiwanese Commander Visits JCS Chairman

SK0208132891 Seoul YONHAP in English 1223 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—Visiting Commander of the Taiwanese Special Warfare Command Lt. Gen. Teng Tzu-lin on Friday paid a courtesy call on Gen. Chong Ho-kun, chairman of the Joint Chiefs of Staff [JCS], and discussed matters of common concern.

The two military leaders discussed ways to promote close cooperation and expand friendly ties between the special warfare commands of the two countries, a JCS press release said.

Taiwan Increases Import Quota by 30%

SK0208132391 Seoul YONHAP in English 0834 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—Taiwan has agreed to increase its import quota for South Korean cars 30 percent from 6,760 last year to 8,788 this year, the Finance Ministry said Friday.

In an economic ministerial conference in Taipei on Thursday and Friday, Taiwan promised Korean Finance Minister Yi Yong-man that it would consider lifting import restrictions on Korean cars and expanding Korean firms' participation in its six-year, 303 billion-U.S.-dollar economic development plan (1991-1996).

Taiwan also promised to review a ban on Korean-made radial tires, a ministry spokesman said.

Yi assured Taiwan that Korea would end import restrictions on oolong tea and eels in 1994.

The two sides agreed to exchange market research teams to develop common import substitutes to rectify their trade imbalances with Japan, and to jointly develop substitutes for freon gas in preparation to counter trade regulations on production and sale of the pollutant in advanced nations.

They postponed discussion on lowering tariffs on Korean cars and graters and Taiwanese mangoes and pineapples until their next meeting due to a discrepancy of views, the official said.

Yi is due home Saturday.

Increase in ASEAN Contribution Announced

SK0508021391 Seoul THE KOREA HERALD in English 5 Aug 91 p 2

[Text] The Korea-ASEAN (Association of Southeast Asian Nations) cooperation fund will be increased to $3 million from the current $1 million, a Foreign Ministry official said yesterday.

He said the raise was in line with the upgrading in the relationship between Korea and ASEAN to full partnership during an ASEAN expanded meeting in Kuala Lumpur July 22-24.

The fund was formed to support various development projects of ASEAN members—Malaysia, Thailand, Indonesia, the Philippines, Singapore and Brunei.

Diplomatic Customers of BCCI To Get Loans

SK0608042591 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Aug 91 p 15

[Text] With the closure of the Bank of Credit & Commerce International's [BCCI] Seoul branch expected to drag on, the Korea Exchange Bank and other commercial banks will make won-fund loans to foreign diplomatic missions in Seoul who dealt with the BCCI.

Since foreign missions cannot withdraw their deposits from the scandal-ridden international bank, they are applying for loans from Korean banks, especially from Korea Exchange Bank, to finance their routine operations, banking sources said.

Bank of Korea officials said they may get won-fund loans from Korean banks with the Bank of Korea governor's consent. They cannot secure foreign exchange loans because the foreign exchange management rules bar non-residents, including foreign diplomatic missions, from securing such loans from Korean banks.

They added that the central bank would affirmatively deal with applications by foreign diplomatic missions for won-fund loans from Korean banks to help ease their financial difficulties due to the closure of the BCCI's Seoul branch.

No Tae-u 'Warned' DLP Leaders To Avoid Feud

SK0608032391 Seoul THE KOREA TIMES in English 6 Aug 91 p 1

[Text] **President No Tae-u yesterday strongly warned the leaders of his ruling Democratic Liberal Party [DLP], including executive chairman Kim Yong-sam, to avoid an intra-party factional feud over the nomination of a presidential candidate.**

The President, who concurrently heads the multifactional DLP, ordered an immediate halt to the disputes heightened by Kim's demand that the next presidential candidate be chosen before next spring's National Assembly elections.

Harshly condemning "premature" discussion of the party's political timetable of selecting his successor, No asserted that the next presidential contender would be elected after the general elections in accordance with the party charter.

"The party, as well as I, will adhere to the political timetable as stipulated by the party charter and regulations, and I make it clear here that this will be done so without fail," he stressed.

Party regulations say that the next national convention to elect the presidential candidate shall convene in May.

No expressed "deep regret" over the intra-party conflicts between rival factions taking place during his two-week summer leave, at his weekly Monday meeting with senior secretaries at Chongwadae, according to spokesman Yi Su-chong.

The President's tough position is expected to frustrate the "offensives" of Kim Yong-sam's followers who want their boss to exercise influence in the selection of the party candidates for the next parliamentary elections as the party's presidential contender.

No is scheduled to have his weekly meeting with Kim late this week. The meeting will draw keen attention as it comes after No's "unexpected" stern remarks.

The presidential spokesman said, "The President's remarks were very strong and from the tone in his voice, he meant what he said." It is rare for the spokesman to refer to a speech that way.

Chairing the top secretaries' meeting, No deplored, "It is extremely regrettable that the ruling party greatly disappointed the people, even making them feel uneasy, by playing a power game at this time when we are faced with other very important problems to solve."

"Those who caused unrest among the people by arguing over the political timetables should reflect on their deeds sincerely," the President said.

He recalled that he advised Kim on July 11 that intraparty debates on the political timetable be shelved until after the end of this year's regular National Assembly session ending Dec. 18.

He also warned his top aides to be cautious in making remarks that may cause misunderstanding and stir up controversy, apparently alluding to his special political assistant Choe Yong-chol, who invited the offensives of Kim and his followers by claiming that the next party presidential candidate should be elected in a free competition. Kim hopes he is automatically designated by No.

The President then underlined that the party and the government should cooperate with each other. "All of us have to keep in mind that we will face the dreadful judgment of the people, if we waste our time and energy at this critically important period."

"I emphasize that we should not make the people worry again about this kind of thing," the Chief Executive said.

He went on to say, "We have to acknowledge the fact that the people voted for us in the local council elections out of their expectation that we will take the lead in solving national problems."

"We should not forget that we are now standing at an important point of time for national unification," he stressed.

DLP Disputes Selection Timetable for Candidate

SK0308031591 Seoul THE KOREA HERALD in English 3 Aug 91 p 2

[Text] Mainstreamers within the ruling Democratic Liberal Party [DLP] yesterday reaffirmed their objection to the early selection of the party's next presidential candidate as reportedly requested by Kim Yong-sam, DLP executive chairman.

Followers of Kim Chong-pil, a co-chairman, also remained opposed to the DLP executive chairman's demand that a party convention to nominate the flagbearer precede the next parliamentary elections expected early next year, touching off speculation that the government party my be embroiled once again in factional feuding.

Close confidants to Kim Yong-sam, the No. 2 man in the ruling party after President No Tae-u, asserted that the selection of the party's presidential candidate before the parliamentary elections is needed to ensure victory in the legislative elections.

Those loyal to President No and Kim Chong-pil want to see the DLP's candidate for presidential elections, expected late next year, nominated sometime after the parliamentary elections to keep No from becoming a lameduck president.

No, whose five-year term ends February 1993, concurrently heads the giant DLP which was created in February last year by the merger of No's ruling party and two opposition parties led by Kim Yong-sam and Kim Chong-pil. No cannot run for a second term.

Kim Yun-hwan, the party's secretary-general who is close to President No, snubbed the Kim Yong-sam faction's call for the early convening of the party's presidential nomination.

"We (mainstreamers) plan to nominate the standardbearer May next year, as stipulated in the party Constitution, after the parliamentary elections," he said.

He predicted the National Assembly elections would be held around February next year.

Kim Chong-pil, prime minister under the late President Pak Chong-hui, said, "Selection of the next presidential candidate should be discussed next year. To discuss the subject now is to defame President No. He still has one-and a half years left in office."

Yi Chong-chan, a mainstreamer who belongs to a group of six senior DLP lawmakers who have called for "fresh politics," also vehemently objected to early nomination of the paryt's candidate.

"Now is not the time to discuss the nomination issue. The political timetable for next year should be carried out in accordance with the party Constitution and other regulations," he said.

He, however, welcomed Kim Yong-sam's reported willingness to face "open competition" in the party's presidential nomination race.

The six senior legislators strongly urge that the flagbearer be chosen through free competition, not through back-room negotiations.

Quite unexpectedly, Sin Kyong-sik, chief secretary to Kim Yong-sam, said Thursday that Kim was ready to accept a free competition for the DLP nomination.

Aides to Kim said a prerequisite to free competition is President No's neutrality. "No should not handpick a nominee in advance," he said.

They rejected the allegation that their boss is reluctant to vie with other contenders at the party's nomination convention as requested by the party's mainstreamers who are loyal to No.

Controversy over the presidential nomination erupted last week when Choe Yong-chol, presidential adviser on politics, said the DLP should choose its presidential candidate through open competition and not handpick a nominee.

Choe's comments hit Kim Yong-sam, leading contender in the nomination race, the hardest. His chances of winning the nomination in an open competition are considered slim because of deep factional strife.

The Kim Yong-sam faction is far outnumbered, but it is considered to be more tightly united than the other party factions.

NDP Suspends Cho for Misconduct Against Kim

SK0508093491 Seoul YONHAP in English 0756 GMT 5 Aug 91

[Text] Seoul, Aug. 5 (YONHAP)—The opposition New Democratic Party [NDP] on Monday suspended Rep. Cho Yun-hyong for a year for making "groundless allegations" against party President Kim Tae-chung despite pleas from his anti-Kim colleagues.

The punishment was meted out by the Political Affairs Committee, the top NDP decision-making body chaired by Yi Wu-chong, after the Disciplinary Committee voted to expel Cho from the party on July 29.

Cho, a vice National Assembly speaker and virtual leader of a nascent NDP faction that promotes unity of the opposition camp in opposition to Kim's charismatic leadership, was found guilty of revealing that Kim's family received lots of money in return for nominating Rep. Cho Chan-hyong to run in the Namwon constituency in the 1988 general election.

The suspension must be endorsed by a caucus of NDP lawmakers for it to take effect.

The punishment was reduced from expulsion as Cho apologised for his "misconduct," but members on the committee belonging to Cho's faction, dubbed "research group for political development," walked out to protest that suspension was tantamount to expulsion.

In a related development, Reps. Chyong Tae-chol and Yi Sang-su, both faction members, were detained and manhandled for about 30 minutes by secretariat staff loyal to Kim.

Official Views Employment of Foreign Sailors

SK0608041091 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Aug 91 p 12

[Text] The domestic employment of foreign seamen, such as Chinese and Filipinos, will be permitted from August at the earliest. This is the first time ever that the domestic employment of foreign manpower is officially permitted.

The Korea Maritime and Port Administration [KMPA] said that the Korea Shipowners' Association and the Federation of Seamen's Unions recently met and reached agreement on permitting ocean-going merchant ships to employ foreigners. They have filed a request with the KMPA for approval of the agreement.

Under the present system, the employment of foreign crew members is possible only with approval by the International Economic Cooperation Committee in the case of non-communist countries, and with approval by the Northern Economic Policy Working-Level Committee in the case of communist countries.

A KMPA official, however, sees no particular difficulty in obtaining the government approval. He said, "Since foreign seamen coming aboard are different from the importation of foreign manpower in other fields, there is no conflict with their employment and the domestic laws."

Minister's Contacts With Club Members Cited

SK0508082491 Seoul SEOUL SINMUN in Korean 31 Jul 91 P 5

[From "Political Avenue" column] [Text] It has been learned that Kim Yong-sam, excutive chairman of the Democratic Liberal Party [DLP], who is now in Cheju Island on summer vacation, will meet Kim Yun-hwan, secretary general of the DLP, in Cheju Island on 31 July, and this arouses people's attention.

On 30 July, DLP Secretary General Kim Yun-hwan said: I do not think that Executive Chairman Kim Yong-sam would issue a special statement or wage a special political activity worthy of notice before his vacation is over and he leaves for Seoul, as predicted by some people.

On the other hand, on 29 July, Sports and Youth Minister Pak Chol-on, who is staying at the same Cheju hotel as DLP Executive Chairman Kim Yong-sam, met with lawmakers Kang Chae-sop and So Sang-chik; and Kang Chi-sun, former chairman of the Sokwipo-South Cheju district committee of the defunct Democratic Justice Party [DJP]; for a golf gathering. On the same day, Minister Pak had a luncheon with 40 core members of the Laurel Club of Cheju district. On 30 July, he also met Yi Chae-won, former vice state minister for political affairs; Kang Chi-sun, former chairman of the Sokwipo-South Cheju district committee of the defunct DJP, and other Laurel Club members in Cheju for a golf gathering. In other words, Minister Pak has been active in contacting members of the Laurel Club.

People close to Minister Pak denied the political implication of such contacts, saying that such meetings were "no more than goodwill meetings among old friends." However, observers hold that Minister Pak's frequent meetings with these figures may have something to do with his meeting with President No Tae-u on 13 July.

Minister Pak is scheduled to return to Seoul on 31 July.

Ministry Plans Liberalization of Interest Rates

SK0508033491 Seoul YONHAP in English 0129 GMT 5 Aug 91

[Text] Seoul, Aug. 5 (YONHAP)—The Finance Ministry will finish work this month on plans to liberalize bank interest rates over the next 10 years and will start the liberalization process in October or November, Ministry officials said Monday.

Interest rates for deposits by certificate of deposit (CD) and repurchase agreement (RP) worth 50 million won (68,500 U.S. dollars) will be liberalized this year, along with lending rates for short-term loans such as cash credits.

After these small beginnings, the government will liberalize other deposit and lending rates step-by-step from 1992.

To minimize the shock of liberalization on the economy, the government is studying ways to classify interest rates into several groups and liberalize them one class at a time, taking two to three years for each group, the officials said.

A Ministry official said it was desirable for Korea to carry out liberalization gradually after carefully watching economic conditions.

Liberalization took six years in the United States and Japan has not yet fully liberalized deposit rates although it began the process 14 years ago, he said.

The Ministry will finalize the liberalization plan by the end of the month after consulting with the central bank and Economic Planning Board and considering studies by the Korea development institute and Korea finance research institute, they said.

Assembly Group Tells GATT No on Rice Market

SK0608045191 Seoul YONHAP in English 0059 GMT 6 Aug 91

[Text] Seoul, Aug. 6 (YONHAP)—The South Korean National Assembly has notified the General Agreement on Tariffs and Trade (GATT) that Korea will not open its rice market even if reform is made in the trade system of agricultural products of the Uruguay Round multilateral trade talks, the FINANCIAL TIMES of London reported recently.

Pak Chun-pyong, head of a Korean National Assembly delegation visiting Europe, was quoted as telling GATT Secretary-General Arthur Dunkel on Aug. 1 that Korea would never accept a proposal by Japan that it open its rice market to 2-3 percent of domestic consumption.

The financial times said Pak also told Dunkel that Korea hoped the Uruguay Round talks would be concluded successfully and it would do its utmost in every field, including liberalization of the service sector, reduction of tariffs and lifting trade barriers.

Korea had so far taken part in the talks in a positive way but had protested repeatedly that some nontrade concerns, including rice, should be excluded from its market-opening items, the paper said.

First-Half Consumer Goods Import Statistics

SK0308061791 Seoul YONHAP in English 0404 GMT 3 Aug 91

[Text] Seoul, Aug. 3 (YONHAP)—Imports of consumer goods rose 24.7 percent in the first half to 3.91 billion U.S. dollars, eclipsing a rate of 9 percent for all of 1990, the Trade and Industry Ministry said Saturday.

Growth was most conspicuous in banana imports, which are a social problem. Banana imports reached 144.8 million dollars in the first half, up from 17.2 million dollars in the same period last year.

Imports of live fish grew 103.5 percent to 75 million dollars.

Imports of art and collectables, such as rare coins or stamps, increased more than fourfold to 25 million dollars. This compares with growth of 1.9 percent in 1989 and a decrease of 67.9 percent last year. The ministry said a boom in construction of large buildings and luxury homes prompted the jump in demand for art.

Reflecting a trend toward leisure, imports of bowling balls and associated apparatus rose 71 percent to 26 million dollars, but imports of golfwear fell 11.8 percent due to regulations on Japanese products.

Imports of car tires soared 49.6 percent to 13 million dollars from a drop of 4.8 percent last year.

The import growth rate for consumer goods was close to that for raw materials (23.4 percent) and capital goods (25.9 percent).

Korea had a trade deficit of 5.08 billion dollars in the first half on exports of 32.99 billion dollars, up 12.9 percent from the same half last year, and imports of 38.08 billion dollars, up 24.5 percent.

First-Half Textile Exports Increase

SK0308042991 Seoul YONHAP in English 0349 GMT 3 Aug 91

[Text] Seoul, Aug. 3 (YONHAP)—South Korea exported 2.67 billion U.S. dollars of woven goods and 1.36 billion dollars of synthetic fiber in the first half of the year, up 19.2 percent and 20.3 percent, respectively, from the same period of last year, the Trade and Industry Ministry said Saturday.

Economic recoveries in advanced nations, import liberalization in Central and South American countries and increasing demand for thread in Southeast Asia led the rise, the Ministry said.

Exports to the United States increased 24.9 percent to 213 million dollars in the six months. Exports to Japan fell 27.4 percent in the first half last year but grew 8.2 percent to 140 million dollars in the same period this year on strong demand for silk goods.

Exports to China climbed 108.8 percent to 67 million dollars.

Account Deficit Swells to $7 Billion Jan-Jul

SK0508033291 Seoul YONHAP in English 0245 GMT 5 Aug 91

[Text] Seoul, Aug. 5 (YONHAP)—South Korea's current account deficit swelled to around 7 billion U.S. dollars in the first seven months of the year as government efforts to rectify the trade imbalance were hampered by a fear of trade friction with industrialized nations and a surge in free-spending trends that prompt imports of nonessential goods.

The government has predicted a surplus of 2.5 billion dollars in July-December will result in a deficit for the year of 3 billion dollars, with exports surging 12.1 percent and imports growing 4.5 percent in the second half, but this goal now looks out of reach.

Contrary to plan, exports rose 1.9 percent and imports jumped 33 percent in July for a trade deficit of 1.6 billion dollars. Led by gradual market liberalization, import of nonessential items rose sharply as domestic use accounted for more than 70 percent of imports.

Imports for re-export use were tallied at 12.41 billion dollars in January-June, up 13.8 percent from the same half last year. This compares with 28.06 billion dollars of imports for domestic consumption, up 29.9 percent.

The share for domestic consumption increased from 59.3 percent in 1988 to 63.6 percent in 1989, 67.9 percent in 1990 and 69.3 percent so far this year.

Imports of raw materials and capital goods were counted at 21.55 billion dollars and 14.99 billion dollars, respectively, in July, up 23.4 percent and 25.9 percent from the same month last year. Imports of consumer goods picked up 25.1 percent.

Foreign Debt Tops $10 Billion at End of Jun

SK0308043191 Seoul YONHAP in English 0358 GMT 3 Aug 91

[Text] Seoul, Aug. 3 (YONHAP)—A worsening balance-of-payments position drove up South Korea's net foreign debt to over 10 billion U.S. dollars at the end of June, sources at the Finance Ministry said Saturday.

Net foreign debt reached 9.7 billion dollars at the end of May, "obviously topping 10 billion dollars by the end of June," one of the sources said.

Net foreign debt, total foreign debt minus overseas assets, was 4.8 billion dollars at the end of 1990 but nearly doubled in six months due to the widening trade deficit.

Korea had an all-time high net foreign debt of 32.5 billion dollars at the end of 1986, but the figure gradually fell to a low of 3 billion dollars in 1989.

At the end of June, Korea's foreign currency reserves stood at 13.4 billion dollars, 1.4 billion dollars down from the end of 1990, and the total foreign debt was 37 billion dollars, up 5.3 billion dollars from the end of last year.

Wage Disputes, Strikes Decrease Compared to 1990

SK0608034391 Seoul THE KOREA HERALD in Eglish 6 Aug 91 p 6

[Text] Labor-management disputes over wage negotiations are easing, while such collective actions as prolonged strikes which have a great impact on production also show signs of decreasing.

The Korea Stock Exchange said yesterday that sixteen companies listed on the stock market have suspended operations because of protracted labor unrest so far this year, two less than in the same period of last year.

Work stoppage days for the strike-ridden firms, except Hyundai Precision & Industry Co. and Hungyang Co., totaled 129 days, about one-third as many as recorded in the same period of last year.

Hyundai Precision & Industry Co. has been embroiled in a serious strike since June 22 last year as management and labor failed to iron out differences over wage hikes.

Workers at Hungyang's Puchong plant have staged a strike since May 22 last year.

The five firms whose operation was suspended for more than five days so far this year include Hyundai Precision & Industry Co., Pacific Chemical Co. and Seshin Commercial Co.'s Changwon plant.

But 11 firms were involved in work stoppages for more than 10 days during the same period last year.

Government Forms Plan To Use 'Idle Work Force'

SK0308030191 Seoul THE KOREA HERALD in English 3 Aug 91 p 6

[Text] The government yesterday worked out measures to effectively use idle work force, including married women and the elderly.

In a meeting of vice ministers, headed by Kang Hyon-uk, vice economic planning minister, the government decided to give bigger tax favors to corporate-run nursery facilities and childcare expenses of married women to widen women's job opportunities.

It also decided to give more favors to women jobs seekers, severing the traditional sexual discrimination.

In a move to broaden job opportunities for aged persons, it plans to extend the period of the age limit for skilled workers at government-invested firms by two to three years. The current retirement age law stipulates 53 to 58.

Aged persons will have priority for such position in state-run companies as ticket collectors, parking violation controllers and guardians.

Among other plans are the setting up of job information centers even in the smallest district units and the extension of job security networks.

For part-time workers, the current three-month job training period will be lowered to one month, while selecting specific jobs suitable for temporary or part-time workers in August.

The participants also agreed to expand and distribute employment information publications from the current 50,000 copies once a week to 250,000 copies twice a week.

To help married women workers, the government decided to increase the number of national, public or private nurseries from the current 705 to 2010 by the end of 1995.

Burma

Soviet Diplomats Meet Minister, Discuss Planes

BK0208072791 Rangoon Radio Burma in Burmese 1330 GMT 1 Aug 91

[Text] Dr. (Arthur I. Rozenband), charge d'affaires of the Soviet Embassy in Myanmar [Burma] together with Mr. (Sergey Grenitevich), cultural attache, called on Lieutenant General Tin Tun, member of the State Law and Order Restoration Council and minister for transport and communication and for social welfare and labor, at the office of the minister this afternoon at 1400.

At the meeting, cordial and frank talks were held on the sale of AN-32 and SU-26 airplanes, MI-8 and MI-17 helicopters, and other bilateral cooperation matters.

Present at the meeting were U Tin Maung Soe, managing director of Myanmar ports authority; U Tin Maung Thein, managing director of inland water transport; and responsible personnel.

2,608 Returned From Thailand as of 4 Aug

BK0508073691 Rangoon Radio Burma in Burmese 1330 GMT 4 Aug 91

[Text] Myanmar [Burma] citizens who illegally entered Thailand have been voluntarily returning to various parts of Kawthaung, Myanmar, fearing arrest by Thai regional authorities who are stepping up campaigns against illegal immigrants.

Upon receipt of this information, a task force was formed by responsible personnel from the Immigration and Manpower Department [IMPD]. After collecting detailed statistics starting on 5 July the returnees were sent home beginning on the morning of 7 July. The sixth batch consisting of 125 persons, both male and female, were sent back to Moulmein on 3 August.

Groups of officials from the township IMPD, the People's Police Force, departmental personnel concerned, and a special IMPD task force conducted preliminary investigations of those who were sent back. Detailed investigations from various organizations reveal that the returnees entered Thailand illegally to reside there and were neither abscondees from the law nor have they links with insurgents. They were doing odd jobs for daily wagers or were jobless or vagrants in Thailand.

Under a special program, the Health Department is testing the blood of all those who returned to see whether they are AIDS carriers.

Upon completion of investigations, the returnees—95 men and 30 women— were sent back from Kawthaung to Moulmein by Aung Htay Aung motorized ferry on the morning of 3 August.

As of today a total of 2,608 male and female returnees have been sent home via Kawthaung —the first batch of 1,258 persons were sent back on 7 July, the second batch of 200 persons were sent back on 9 July, the third batch of 431 persons were sent back on 21 July, the fourth batch of 530 persons were sent back on 31 July, the fifth batch of 64 persons were sent back on 2 August, and the sixth batch of 125 persons were sent back today, on 4 August.

Officials from the township IMPD, township People's Police Force, and responsible personnel from the township court are making necessary preparations to take appropriate action under the Myanmar Immigration Law against those who have returned.

Security Forces Uncover Mines on Railway

BK0208142391 Rangoon Radio Burma in Burmese 1330 GMT 2 Aug 91

[Excerpts] KNU [Karen National Union] insurgent terrorists have been planting mines on roads and railway lines with an intention to cause death and injury among innocent civilians. On 15 May 1991, thanks to information given by a dutiful citizen, authorities concerned were able to uncover and confiscate on time explosives which were planted between mile posts Nos. 110 and 111 on Yangon [Rangoon]-Mandalay railway line near Menegon village in Kyauktaga Township. The authorities were also able to expose those responsible for planting the mines.

At about 0730 on 15 May two villagers from Alegyun village in Kyauktaga saw equipment for planting mines while herding their buffaloes along Yangon-Mandalay railway line and they reported the matter to the security unit at the Office of the Kyauktaga Township Law and Order Restoration Council. Acting on the information they received, the security unit uncovered eight explosives—6.5 inches by 1.8 inches in dimension—three batteries, electric detonators, and wire 15 feet long.

Follow-up investigations by security forces led to the arrest of Saw Kyi Win, son of U Mya Swe of Nanza village in Kyauktaga Township and member of ward law and order restoration council, age 27; Saw Tase Kho, son of U Maung Khin Lewainggyi village in Kyaukkyi Township, age 28; Htay Twin, son of U Kyaw Zan Hla of Bawditwin village in Kyauktaga, age 27; San Cho Myint, son of U Phar Baw of Yedwingon village in Kyaukkyi Township, age 36, on 26 July. [passage omitted]

Brunei, Malaysia & Singapore

Brunei

Mahathir Arrives in Brunei for Unofficial Visit

BK0308153491 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 3 Aug 91

[Text] Prime Minister Datuk Sri Dr. Mahathir arrived in Bandar Seri Begawan this afternoon for a two-day unofficial visit to Brunei Darussalam.

Dr. Mahathir, accompanied by his wife Datuk Sri Datin Paduka Dr. Siti Hasmah Mohamed Ali, was met on arrival at the Brunei International Airport by Finance Minister Prince Haji Jefri Bolkiah. Mahathir and his wife were immediately taken to the Istana Nurul Iman [Palace] for an audience with Brunei State Ruler Sultan Hassanal Bolkiah.

Malaysia

Mahathir Ends 2-Day Unofficial Visit to Brunei

BK0408140091 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 4 Aug 91

[Text] His Royal Highness Sultan Hassanal Bolkiah of Brunei Darussalam is interested in investing in property development in Kuala Lumpur. Prime Minister Datuk Sri Dr. Mahathir Mohamed told reporters this at the Sungai Besi RMAF [Royal Malaysian Air Force] station on his return from an unofficial two-day visit to Brunei.

He said he discussed current matters as well as border demarcation and survey work between Malaysia and Brunei with the sultan.

The prime minister, on behalf of the Yang Di-Pertuan Agong [paramount ruler] Sultan Azlan Shah, also extended an invitation to the Sultan of Brunei to make a state visit to Malaysia. Datuk Sri Dr. Mahathir said he had also been invited to make an official visit to Brunei.

Mahathir Denies Attempt To Confiscate Land

BK0308064491 Kuala Lumpur Voice of Malaysia in English 0600 GMT 3 Aug 91

[Text] The prime minister, Datuk Sri Dr. Mahathir, has dismissed allegations that the government's move to amend the Land Acquisition Act, 1960 is to confiscate land that belongs to non-bumiputeras [non-indigeneous Malaysians]. He described the allegations made by the opposition as baseless, irresponsible, and dangerous. He said the government does not use racial sentiments in acquiring land for development purposes. This is not the style of the Barisan Nasional [National Front] government.

He explained that as available land is becoming less, it is important for the government to be given power to acquire land to ensure continued development. The amendment was made for the benefits of all the people. The government would give reasonable compensations and if the people are not satisfied with the amount, they can take the matter to the court.

The prime minister said this when opening the 20th delegates meeting of Parti Gerakan [Malaysian People's Movement Party] in Kuala Lumpur. Datuk Sri Dr. Mahathir said the people would be on the losing ends if the government failed to implement development programs because of shortage of land. They would suffer if the government could not build houses, hospitals, roads, schools, and other amenities because there is no more land.

The prime minister gave the assurance that the government, which is chosen by the people, would not acquire any land if it is not in the interest of the nation.

Finance Minister Remarks on Foreign Aid

BK0308072391 Kuala Lumpur Voice of Malaysia in English 0600 GMT 3 Aug 91

[Excerpt] Finance Minister Datuk Sri Anwar Ibrahim says Malaysia has the courage to criticize countries such as Australia and the United States because it does not beg aid from them. Malaysia has no wish to become a beggar. Datuk Sri Anwar said Malaysia not only did not beg help from other countries but also helped other nations which sought its help. Malaysia's success has become a key study for others who are highly impressed by the country's uniqueness. What is unique and special about Malaysia is that all races can live together. Not many multiracial countries in the world have achieved Malaysia's excellent record.

He said this at an evening with Datuk Sri Anwar function in Jitra, Kedah. He also said that villagers should be adequately briefed on vision 2020 to make Malaysia a developed nation by that year. The vision was very important as it outlined the pattern of the country 30 years from now, and the rural society had to know about it. Certain groups in the urban areas seemed to have the feeling that the kampung [village] residents did not have to know about this vision for Malaysia. Datuk Sri Anwar said the vision could not be realized if the people did not work hard toward achieving it. [passage omitted]

Defense Minister Interviewed on Arms Control

BK0208152191 Singapore THE STRAITS TIMES in English 2 Aug 91 p 22

[Text] Singapore needs a much larger army equipped with a large stock of sophisticated weaponry if it wants to protect itself fully against external aggression, said Malaysian Defence Minister, Datuk Sri Najib Tun Razak.

He told the ASIAN DEFENCE JOURNAL in an interview published in its July issue that for a country of its size and population, Singapore could be considered the most heavily armed state in Southeast Asia.

But its geographical characteristics make it strategically the most vulnerable state in the region and it needs a larger defence capability than it presently has, he said.

Describing regional arms control issues as "non-issues", he said South-East Asian countries spend very little on arms compared to Israel and the Gulf States.

"In fact, most of our feelings of military threat from our neighbours are born of morbid fears and suspicions," he added.

Datuk Najib said most South-East Asian states were difficult to defend because of their geographical characteristics, and with the exception of Vietnam, most were considerably under-armed.

Indonesia's defense for example, was far from adequate to insure its far-flung territories against external attack, he said.

Likewise, both the Philippines and Malaysia, where the armed forces have been trained primarily for counterinsurgency work, should pay more attention to external defence given their geographical characters.

He went on to discuss the impact of the Gulf war, noting that it has slowed down the process of global disarmament.

"On the other hand, the Gulf crisis tends to speed up the process of re-armament in countries which have suddenly realised the utter deficiencies in their national defence," he noted.

Asked for his view on Senior Minister Lee Kuan Yew's proposal that Singapore and Malaysia allow mutual inspections of each other's military facilities, he said Mr. Lee suggested this as a way to reassure Singapore's neighbours that its arsenal was not offensive in nature.

In the wide-ranging interview, Datuk Najib said that the Malaysian Armed Forces were moving in a new direction now that the communist insurgency problem has been resolved.

He said that new weaponry is being acquired to transform the Malaysian Armed Forces into a more conventional force, equipped to counter external aggression.

He also touched on the U.S. military presence in the region which, he said, could serve as a "countervailing force" against regional powers that might emerge.

Regional powers could emerge in the vacuum left by the United States and the Soviet Union if the two superpowers scaled down their presence here following the end of the Cold War, Datuk Najib said.

Army Chief Remarks on Army's Capability

BK0308092291 Kuala Lumpur Voice of Malaysia in English 0600 GMT 31 Jul 91

[Text] The capability of the Malaysian Army is on par with that of neigboring countries. Army Chief General Tan Sri Yaacob Mohamed Zain said [that] although the army does not have sophisticated weapons, its ability to defend the country is good.

He, however, said that the army was having a shortage of ground support equipment, especially artillery units, which are important in conventional warfare.

He was speaking to reporters at Camp Kudat in Sabah before leaving for Kota Kinabalu.

Earlier Gen. Tan Sri Yaacob officially closed the "Gonzales Khas 1/91" exercise which was held for 10 days in the Kota Belud and Kudat areas.

The exercise, involving about 3,700 personnel and 242 vehicles, tanks, and armoured cars, was the largest ever held in Sabah.

Gerakan Party Conference Ends; Resolutions Issued

BK0408144291 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 4 Aug 91

[Text] The Parti Gerakan [Malaysian People's Movement Party] delegates conference has passed five resolutions covering the government's vision of 2020, human resources development, and environment. It also asked the government to set up a monitoring mechanism for the national development policy and cultural heritage conservation. Such a monitoring body could monitor and report on deviation in implementation of the government policies. This could be done by implementing a more effective treatment and the [word indistinct] system, and enhancing the professionalism of the staff of the department of the Department of Environment.

On cultural heritage conservation, it called for suitable legislation to preserve heritage areas and buildings to enable future generations to understand the early history and culture of this country.

Joint Singapore Military Exercises To Resume

BK0508150991 Singapore Singapore Broadcasting Corporation in English 1400 GMT 5 Aug 91

[Text] The chief of staff of the Malaysian Armed Forces High Command says there are more times to hold (?military) exercises with Singapore involving all the three services. Lieutenant General Datuk Abdul Rahman Hamid added that the Malaysian Armed Forces will resume its bilateral exercises with the SAF [Singapore Armed Forces] early next year. BERNAMA NEWS AGENCY also quoted him as saying that they (?are also) expected to take part in multilateral exercises, just like the one under the Five-Power Defense Arrangement.

Lt. Gen. Datuk Abdul Rahman was speaking to reporters after witnessing an army exercise involving Malaysian and Indonesian paratroopers [words indistinct] near the Malaysian town of Kota Tinggi. Three Indonesian Air Force transport aircraft and two from the Royal Malaysian Air Force took part in today's exercise involving more than 300 paratroopers from both sides.

Earlier, two Malaysian jet fighters [words indistinct]

Cambodia

Chea Sim Receives Mission From U.S.

BK0308071991 Phnom Penh SPK in English 0428 GMT 3 Aug 91

[Text] Phnom Penh SPK August 3—National Assembly Chairman Chea Sim received here Wednesday a visiting delegation of the AGAPE [expansion unknown] international mission led by Mrs. Naren Kim Lo.

Chairman Chea Sim, who is also Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, told the guest of the Cambodian people's efforts in restoring the country from the severe destruction by the genocidal regime of Pol Pot during its reign from 1975-79.

Mrs. Naren Kim Lo, representative of the AGAPE international mission, thanked the Government of the State of Cambodia for helping her delegation during its visit here.

She also informed Chairman Chea Sim of the aim of her mission in Cambodia, including the possibility of granting 100 scholarships to Cambodian students for further studies in the U.S.A in the 1991-92 school year.

Mrs. Naren Kim Lo pledged to inform the AGAPE of the reality in Cambodia and will request more assistance to the Cambodian people in the future.

The delegation of the AGAPE international mission arrived here July 25 and is scheduled to leave on August 20, 1991.

Deputy Defense Minister Meets Finnish Delegation

BK0308014291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 2 Aug 91

[Text] Comrade Lieutenant General Ke Kimyan, member of the party Central Committee and first deputy defense minister of the State of Cambodia, recently granted an audience at the 13 October hotel to a Finnish delegation led by Esko Seppanen, member of the Finnish House of Representatives and president of the Finland-Vietnam Friendship Association.

On the occasion, Comrade Lt. Gen. Ke Kimyan distinctly reaffirmed the State of Cambodia's goodwill stance on a political settlement of the Cambodian problem and pointed out the maneuvers carried on by the genocidal alliance to fire shells, which caused destruction in some remote villages and communes along route 10 in Samraong Chongkal area of Kompong Thom Province and so on.

During the last dry season, our Cambodian People's Armed Forces [CPAF] counterattacked the enemy, inflicting a heavy casualties upon them. At present, our CPAF is duty-bound to safeguard its positions and maintain security for the people living in remote areas, effectively preventing the enemies from plundering the latter's property.

After paying attention to the account given by the lieutenant general, Esko Seppanen sincerely thanked the State of Cambodia and pledged to disseminate the concrete reality in the country, contributing to putting an early end to the Cambodian conflict.

Nationwide Rainy-Season Rice Production Reported

BK0508034691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Aug 91

[Text] According to a report by the Agriculture Ministry, by 20 July over 506,000 hectares of land were tilled for rainy-season rice production, over 41,000 hectares of rice were planted, and over 192,000 hectares of rice were sowed and transplanted throughout the country.

In addition to rice production, our peasants throughout the country have planted over 55,300 hectares of subsidiary food crops and over 14,200 hectares of industrial crops.

Meeting in Phnom Penh Marks War Invalids Day

BK0508121991 Phnom Penh SPK in French 1109 GMT 5 Aug 91

[Text] Phnom Penh 5 Aug (SPK)—The Cambodian Ministry of War Invalids and Social Action organized in Phnom Penh on 3 August a meeting to mark the 9th anniversary of Cambodia's War Invalids and Wounded Day (31 July).

Attending the meeting, also dedicated to the 44th anniversary of Vietnam's War Invalids and Wounded Day (27 July), were General Bou Thang, member of the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces; Sim Ka, alternate member of the Political Bureau and secretary of the Phnom Penh City Party Committee, and others.

Ngo Dien, ambassador, and Pham Van Lang, military attache of Vietnam to Cambodia, were also present.

Koy Buntha, member of the KPRP Central Committee and minister of war invalids and social action, made a speech recalling the tradition of heroic struggle which unites the Cambodian and Vietnamese peoples against the colonialists and neocolonialists [words indistinct] the genocidal regime of Pol Pot. He also recalled the sufferings of the Cambodian people during the past 12 years of war waged by the tripartite coalition, and vigorously denounced the attempts to bring the genocidal regime under different forms back to Cambodia.

"Though hating war, the Cambodian people must take up arms to defend their territorial integrity, social gains, and to prevent the recurrence of the genocidal regime," he stressed.

The speaker praised the heroism of the Cambodian combatants in defending national sovereignty and ensuring security for the population, and deeply thanked the fraternal Vietnamese people for their sacrifices made in the cause of the Cambodian revolution and for the development of the friendly relations between the two countries.

"The Cambodian people will never forget these good deeds, and they are determined to emulate this heroism," stressed Koy Buntha, who went on to say:

"Although the Cambodian revolution is in a position of strength and the just cause of the Cambodian people is gaining ground on the international stage with each passing day, the party and Government of the State of Cambodia [word indistinct] carry on their efforts in the negotiations in order to put an end to the sufferings of the Cambodian people and for peace, national interests, and national reconciliation."

"The outcome of the recent meeting of the Supreme National Council (SNC) in Phatthaya (Thailand) as well as that of its informal meeting in Beijing (China) marked a new development in the process of the search for a political solution to the Cambodian problem, development which would open up new possibilities for the upcoming formal meeting of the SNC in Bangkok."

Minister Koy Buntha took that opportunity to thank progressive parties, governments, and leaders in the world, international organizations, overseas Cambodian residents, and particularly the party, government, Armed Forces, and people of Vietnam for their support to the just cause of the Cambodian people.

Defense Ministry Reports Truce Violations

BK0608062891 Phnom Penh SPK in French 0408 GMT 6 Aug 91

[Text] Phnom Penh 6 Aug (SPK)—[Words indistinct] on 27 and 29 July, thus violating the unlimited cease-fire adopted in Phatthaya late last June, according to a communique from the Defense Ministry.

During these two days, the troops of the tripartite coalition fired 800 shells on Prasat Pheas commune, Thmar Puok District, Banteay Meanchey Province, according to the communique before adding:

On 27 July, 450 Polpotists entered Prasat Pheas commune from which they were later repelled by government forces of Division 179. The intruders left behind six artifacts that they had stolen from this commune. On the same day, in collaboration with the Polpotists, the Sonsannians fired 600 shells of 75-mm and 85-mm guns on a sector 13 km northeast of Svay Chek, while others fired three mortar rounds on the same sector.

On 29 July enemy troops also fired 10 rounds of 82-mm guns on a government position located 22 km northwest of Bavel. On National Route 10, they fired about 100 shells of 122-mm and 75-mm artillery pieces on an area 14 km northeast of Pang Roloem.

UN Survey Team To Work 17 Aug-3 Sep

BK0608011291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Aug 91

[Text] On 4 August, His Excellency Khieu Samphan received a telegram from Mr. Rafeeuddin Ahmed, special envoy of the UN secretary general, informing him that the UN secretary general will send a UN survey team to Cambodia from 17 August to 3 September 1991.

It should be recalled that during their meetings in Phatthaya and Beijing, the four Cambodian factions of the Supreme National Council [SNC] agreed that the cease-fire and cessation of foreign military aid must be monitored by the United Nations. In this connection, Samdech Norodom Sihanouk, chairman of the SNC, wrote a letter dated 16 July 1991 to the UN secretary general asking the United Nations to send a survey team to arrange the supervisory work and send the first batch of the supervisory team with an adequate number of members to monitor the cease-fire and cessation of military aid in Cambodia.

We hope that after this survey team returns, the UN secretary general will arrange for the dispatch of the first monitoring team comprising 700, or 500 personnel, and subsequent teams to Cambodia until the UN Transitional Authority, with both military and civilian members, comes to conduct its comprehensive tasks in Cambodia.

Without UN supervision, the war in Cambodia will never end. This is because Vietnam still maintains troops for continuing its war in Cambodia. These Vietnamese troops—both those who are hiding in Cambodia and fresh Vietnamese troops sent from Vietnam—have joined with the Cambodian soldiers in attacking the Cambodian national resistance forces and fearlessly violating the cease-fire agreement.

We are convinced that the presence of UN forces, conducting a supervisory role, will hasten a comprehensive settlement of the Cambodian problem in line with the UN peace plan.

Laos

Phoumi Greets Cambodia's Sihanouk on Appointment

BK0308111491 Vientiane KPL in English 0909 GMT 3 Aug 91

[Text] Vientiane, August 3 (KPL)—Mr. Phoumi Vongvichit, acting president of the Lao PDR [People's Democratic Republic], sent on July 29 a message of congratulations to Samdech Norodom Sihanouk as he was elected president of the Supreme National Council [SNC] of Cambodia.

In the message having hailed the Lao and Cambodian people's continually increasing tradition of friendship and cooperation, the Lao acting president said: "I believe that under the leadership of Samdech, the SNC would meet the aspiration of the Cambodian people in the endeavor for independence, sovereignty, peace, state of non-alignment, unity, and territorial integrity of Cambodia, thus contributing to the cause of peace, stability, and cooperation in Southeast Asia."

The Lao acting president also wished the SNC president good health and happiness.

CPV Official Gives Lecture on 7th Congress

BK0308113291 Vientiane KPL in English 0941 GMT 3 Aug 91

[Text] Vientiane, August 3 (KPL)—A lecture on the outcome of the 7th Congress of the Communist Party of Vietnam [CPV] was held yesterday at the party CC [Central Committee] Propaganda and Training Board. It was given by [the] deputy head of the Foreign Relations Department of the CPV CC's Ideology and Culture Committee, who is on a current visit to Laos.

The lecturer first spoke of actual developments and conditions in Vietnam prior to the opening of the 7th CPV Congress, indicating socioeconomic difficulty, especially inflation which is now at an average rate of one American dollar against 9,500 dong (Vietnamese currency). He said at present Vietnam has trading markets with many countries such as Malaysia, Taiwan, Hong Kong, ASEAN countries, while the United States of America still maintains its policy of economic embargo on Vietnam.

In addition, he pointed to success in the comprehensive renovation effort in Vietnam, starting with a firm step from economic area gradually to political system according to adopted principles. All these have resulted in the economic growth rate and the widened cooperation with foreign countries. He said these are products of the effort of the entire party, Army, and people of Vietnam and also a gain of the special friendship and solidarity among Laos, Vietnam, [and] Cambodia.

PRC's Li Peng Sends Message to Kaysone

BK0308140091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Aug 91

[Message of sympathy from PRC Premier Li Peng to Kaysone Phomvihan, chairman of the Council of Ministers of the Lao People's Democratic Republic; dated 1 August]

[Text] Having received reports saying that Luang Prabang Province and nine other provinces in Laos have been severely ravaged by drought and crop pests and that floods have caused great losses to the lives and property of the people in Oudomsai Province, on behalf of the PRC Government and the Chinese people, I would like to extend my deep sympathy and intimate consolation to you and, through you, comrade, to the Lao people affected by these natural calamities.

Repatriated Refugees To Return From PRC

BK0308133091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Aug 91

[Text] In August this year, Luang Namtha Province will receive the first batch of Lao refugees repatriated from China under sponsorship of the UN High Commissioner for Refugees [UNHCR]. At present, the province is preparing living quarters and production zones to receive the first group of returnees from China. There are 3,409 Lao refugees taking refuge in China at present. Beginning this month, Laos plans to admit between 100 and 200 refugees repatriated each month from that country.

Thai Princess Makes Donation for Orphanage

BK0608101491 Vientiane KPL in English 0856 GMT 6 Aug 91

[Text] Vientiane, August 6 (KPL)—Deputy Minister of Interior Mr. Siangsom Kounlavong and Thai Ambassador to Laos Mr. Nikhom Tantemsap on August 3, chaired the hand-over ceremony of a one-story dormitory called "Sirinthon" to the orphanage of the Interior Ministry.

The dormitory is named after Her Royal Highness Princess Maha Chakkri Sirinthon who has made her personal donation of 22 million kip to the construction.

The building, 8-m x 36-m, is made up of eight rooms capable of accommodating 50 orphans. The construction started in December 1990 and was completed in June 1991.

Supreme Assembly President Meets Finnish Group

BK0508100791 Vientiane KPL in English 0914 GMT 5 Aug 91

[Text] Vientiane, August 5 (KPL)—Mr. Nouhak Phoumsavan, president of the People's Supreme Assembly [PSA] of the Lao PDR [People's Democratic Republic], received here on August 3 a parliamentary delegation of Finland led by Mr. Eskoseppanen.

During the talk passing in a good atmosphere of mutual understanding, Mr. Nouhak Phoumsavan expressed his appreciation for the visit of the parliamentary delegation of Finland which represented the group in support of the Indochinese countries in the parliament. He also informed the guest about the tasks and duties of the People's Supreme Assembly in the building and promotion of the democratic regime that was closely linked with the legal system, the making of the draft of the first constitution of the People's Democratic Regime that will be adopted soon by the People's Supreme Assembly.

The sides expressed their belief that the visit of the parliamentary delegation of Finland to Laos would importantly contribute to the promotion of the fine relations and cooperation between the peoples and goverments of the two countries, especially between the two legislative bodies of the two countries—Laos and Finland.

In addition, during its stay here, the Finnish parliamentary delegation had a working meeting with Mr. Bounmi Papphavong, member of the Standing Committee of the People's Supreme Assembly and head of its foreign relations commission, and Mr. Phao Bounnaphon, minister of external economic relations.

The delegation also visited cultural and historical places in Vientiane.

The delegation arrived here on August 1 and left for home on August 4.

Agreement Signed With Swedish Aid Organization

BK0308112891 Vientiane KPL in English 0915 GMT 3 Aug 91

[Text] Vientiane, August 3 (KPL)—A specific agreement between the Swedish International Development Authority and the Lao Ministry of Communication, Transport, Post and Construction, covering 170 million kronas aid from Sweden to Laos, was concluded here yesterday.

Signing the document were Deputy Minister Mr. Noi Indavong and Swedish Charge d'Affaires to Laos Mr. Per Gustav Kokeritz.

It provides that the third phase of grant aid given for 1991-94 will be used in the following projects: training of construction machinery operators, training of road construction and maintenance technicians, survey and design of Vientiane-Pak Kading section of Road-13 south, and repair of some model roads.

The second phase of the same grant aid from Sweden accounted for 76 million kronas already used to implement communication projects between 1987-1990.

Philippines

Aquino Warns of Loss of 'Preferential Treatment'

HK0508133191 Manila PHILIPPINE DAILY INQUIRER in English 3 Aug 91 pp 1, 12

[Text] President Aquino yesterday warned that the Philippines would lose the "preferential treatment" extended to it by the United States if the Senate failed to ratify a new bases treaty.

"Ratification of the bases treaty by the Senate will give more material benefits for the Philippines than its rejection," the President said in a press statement. "This is not an argument merely a statement of fact."

Ambassador Emmanuel Pelaez issued a similar warning, saying the country would face "turbulent times" if the Senate rejected the treaty.

The Philippine ambassador to the United States said rejection of the treaty, which is intended to replace the current agreement when it expires on Sep 16, would send a wrong singal to Washington and harm the country's relations with the U.S.

Pelaez said American businessmen might also be wary of investing in the country, Americans are the second largest investors in the country.

"I'm afraid that if the bases treaty will be rejected, there will be turbulent times ahead," he said.

The warnings of the President and Pelaez echoed similar statements made by U.S. officials.

Ratification of the treaty, on the other hand, would signal to investors in the U.S. and other countries that the Philippines was on the way to economic and political stabilization, he said.

Quinn, who is visiting several Asian countries, is in Manila reportedly to lobby for the ratification of the treaty.

Earlier U.S. embassy spokesman Stanley Schrager said the Philippines has been accorded privileged treatment by the U.S. on account of the bases.

But he said this relationship would change if the bases treaty would not ratified.

"It's not blackmail. It's not a threat. It's just simply the way it is," he said.

The draft treaty hammered out by RP [Republic of the Philippines] and U.S. negotiators allows the U.S. to keep Subic Naval Base in exchange for an annual compensation of $203 million.

Sixteen senators have indicated in a straw poll that they would vote against its ratification. At least 16 votes are needed for ratification by the 23-member Senate.

Foreign Secretary Raul Manglapus, head of the Philippine panel, is scheduled to sign the agreement in Manila next week. The U.S. representative has yet to be named, although there were reports that Secretary of State James Baker III would sign for his government.

Meanwhile, Sen John Osmena demanded the ouster of Senate President Jovito Salonga, saying he was the major obstacle to the ratification of the treaty.

"The removal of Senate President Jovito Salonga is a must if President Aquino wants the U.S. bases treaty ratified in the Senate," Osmena said in a press statement.

Osmena is one of the strongest advocates of the bases' retention. But after the terms of the proposed treaty were known, he vowed to oppose it, saying it would reduce the Philippines to "10 years of mendicancy."

Military-Related Bases Pay Package Falls Short

HK0508124391 Manila MANILA BULLETIN in English 3 Aug 91 p 16

[Text] Defense Secretary Renato De Villa has disclosed that the military-related compensation package for a new RP [Republic of the Philippines]-U.S. bases agreement still falls short in financing an ideal modernization plan for the Armed Forces of the Philippines (AFP).

In a press conference, De Villa said the Philippines has only two alternatives—foreign loans or counter trade agreements—to fill the gap left by the small U.S. contribution to the AFP modernization proposal.

"Certainly it is too small for us to rely on for modernization of the Armed Forces," De Villa said referring to the military component of the bases treaty proposal.

Aside from a $203-million annual cash package, non-budgetary aid which will benefit the AFP including a $150-million guarantee for excess defense articles.

The appropriated aid is broken down into foreign military financing of $100 million, Economic Support Fund (ESF) of $100 million, and international military educational training of $3 million.

The compensation package covers rental for the Subic Naval base only.

De Villa expressed the belief that the proposal was the best the country cold get. He added that the Philippine panel in the bases talks "did their job and their duty to the best of their ability with the highest interest of the country behind it."

Manglapus Says 'Unhampered Use' Clause Amended

HK0508124491 Manila MANILA BULLETIN in English 3 Aug 91 pp 1, 19

[Text] San Fernando, La Union—The forthcoming treaty of RP [Republic of the Philippines]-U.S. cooperation corrects the obnoxious provisions in the current Military Bases Agreement (MBA) regarding "unhampered use" and criminal jurisdiction, Foreign Secretary Raul S. Manglapus said here yesterday.

Manglapus, who addressed some 300 Rotarians from various clubs in the province, said that the much-criticized clause allowing "unhampered military operations" in Subic in the 1979 Romulo-Murphy agreement amending the MBA will now be replaced with language permitting the U.S. to use the facility "solely for purposes authorized under this agreement."

The foreign secretary said that while in the current MBA, the Philippine secretary of justice is authorized only to request diplomatic discussion on the validity of a "duty certificate" issued by the U.S. to prevent Philippine jurisdiction over a U.S. offender, in the new treaty the justice secretary may render his own decision before the diplomatic discussion.

The new treaty also obligates the U.S. Government, as well as U.S. private contractors, to give "preferential employment to Filipino citizens," Manglapus added. In the past, U.S. civilians have been brought to work in the facilities even when Philippine skilled manpower was available.

The foreign secretary also said he would be accepting other provincial speaking engagements "to explain the political and economical implications," of the new treaty.

After his Rotary appearance, the foreign secretary attended the inauguration of a Mother and Child Community Livelihood project which he helped to establish in La Union with assistance from the World Organisation for Rehabilitation through Training (WORT), an international Jewish-based scientific and educational non- governmental organization (NGO).

Senator Warns of Possible U.S.-Backed Coup

HK0508121391 Manila PHILIPPINE DAILY INQUIRER in English 4 Aug 91 pp 1, 8

[By Tony S. Bergonia]

[Text] Pro-American Sen. John Henry Osmena yesterday warned that covert U.S. operatives could instigate a new coup attempt against President Aquino if a treaty keeping U.S. military facilities here is rejected in the Senate.

In a speech in Bacolod City, Osmena said rebel soldiers could use Malacanang's failure to have the treaty ratified to woo U.S. support for another coup attempt.

Rebel soldiers nearly toppled Ms. Aquino during the December 1989 putsch. U.S. intervention, through "persuasion flights" of U.S. Phantom jets, was widely believed to have tilted the fighting in favor of the government.

Despite its action, the U.S. was also believed to have been covertly involved in the coup attempt.

The late Brig. Gen. Alejandro Galido, former chief of the Southern Luzon Command, had testified before government investigators that an agent of the U.S. Defense Intelligence Agency, Harold Maglio, was involved in the putsch.

The agency is directly under the Office of the U.S. President.

Maglio, according to Galido's testimony, offered to sell to the coup plotters $20 million worth of arms, which include six anti-tank Stinger missiles and anti-helicopter missiles.

Osmena held it likely that rebel soldiers, despite the arrest of some of their top leaders, would again court U.S. support to topple Ms. Aquino barely a year before her term ends.

Anti-bases colleagues of Osmena said they, too believed the U.S. was capable of giving covert support to a future coup attempt as it had done in other countriers, mostly in Latin America.

Sen. Rene Saguisag said "outside forces" were trying to pressure the Senate into ratifying the new agreement.

Saguisag issued the statement in reaction to Osmena's call for the ouster of Senate President Jovito Salonga to pave the way for the passage of the treaty.

Osmena's warning "ensures the defeat of the treaty," he said in a telephone interview yesterday. "That statement hardens the position of enough senators to ensure the rejection of the treaty."

Sen. Wigberto Tanada, who also belongs to the anti-bases camp, said the move to expel Salonga could be part of efforts from "outside of the Senate" to have the treaty ratified.

"If there are forces trying to subvert or unduly influence the thinking of the senators on the bases issue, they do not come from within the Senate but from outside," Tanada said in a statement.

Last Friday, Osmena described Salonga as the biggest stumbling block to a new bases treaty.

Osmena said Ms. Aquino could count on at least 14 senators for support if she gave the go-signal for Salonga's ouster.

Sixteen senators rejected the treaty in a straw vote conducted by Salonga last week.

Earlier, Osmena criticized the compensation package of the new agreement as insufficient and demanded a renegotiation amid threats that he would reject it during floor voting.

But in his statements last Friday and yesterday, the senator sounded fully supportive of the new treaty.

The agreement allows the U.S. 10-year access to Subic Naval Base in exchange for $4203 million a year to the Philippines.

The Philippine negotiating panel tried last week to convince senators to vote for the treaty by listing the supposed economic benefits it would bring for the country.

Finance Secretary Jesus Estanislao, a panel member, said the economic package tied to the bases included access to loans and other aid from international financing institutions.

A rejection of the treaty would shut the doors to foreign loans and aid, Estanislao warned.

Rep. Jose de Venecia told House reporters yesterday this was the same line mouthed by chief U.S. negotiator Richard Armitage in his meeting with select congressmen July 19 at Manila Hotel.

According to De Venecia, Armitage approved a proposal for the Bush administration to lobby for an extension of the effectivity of the Philippine Aid Plan [PAP] to 11 years.

De Venecia said the U.S. could make up for the low compensation package in the treaty by helping the Philippines gain extended access to the PAP.

The PAP, a plan to pool resources of foreign donors to help the Philippine economy, is to expire in 1994.

De Venecia said the country could get some $3.5 billion a year from the aid program. This amount, he said, more than makes up for the failure of the Philippines to get substantial amounts from the bases agreement.

"We can get from $2 to $3.5 billion a year from the PAP, so ano itong pinag-aawayan nating [so what is this $203 million we are quarelling about?]," he said.

Aquino Assures Signing of Bases Pact This Week

HK0608053791 Manila PHILIPPINES NEWSDAY in English 6 Aug 91 p 3

[By reporters Dionisio Tubianosa, Jose H. Macaspac III]

[Text] President Aquino yesterday gave her assurance the Senate would have the signed new bases agreement in a few days time, which would leave the chamber one month within which to ratify or reject it.

As this developed, Senator John Osmena, a know anti-bases lawmaker, demanded a Senate study on the impact on the military of an impending rejection by the chamber of the new accord.

As of the last "straw" count, 16 senators were against the accord's ratification, the same number needed to comply with the constitutional mandate for a treaty to be valid.

President Aquino, in a statement issued to Palace reporters yesterday, gave her assurance that the Treaty on Friendship, Cooperation and Security between the Philippines and the U.S. "will be completed as soon as it has been signed" this week.

"Until then," she added, "there is nothing that can be submitted for Senate action."

If the accord is signed this week, the Senate will be left with only a little over a month within which to ratify or reject it.

Foreign Affairs Secretary Raul Manglapus, who was at Malacanang yesterday, said the period would be enough time for the Senate to act on the accord.

"Straw votes are very important, they are to be considered part of the democratic process; however, the Constitution of the Philippines is to be ratified by a straw vote. It is to be ratified on the floor of the Senate."

Meanwhile, at the Senate, Osmena filed a resolution asking the Senate to direct the defense committee to conduct a probe on the possibility that the Armed Forces of the Philippines would be considerably weakened if the bases treaty is not approved.

Osmena, who earlier revealed that the military might stage a coup if the treaty is not approved, said the Armed Forces will suffer most with the rejection of the treaty.

He said the Philippine military will lose about $103 million in U.S. military aid.

The non-ratification of the treat will mean a sudden termination of the military assistance that has been provided us for many years, Osmena said.

The military will not be able to pursue is modernization programs without this assistance, he added.

On the other hand, Sen. Ernesto Herrera disclosed that the U.S. is willing to put up a $75-million fund for the rehabilitation of the areas damaged by Mt. Pinatubo's eruption.

Herrera said he was informed by U.S. officials that a fund for the Pinatubo victims, including base workers, has been put up.

The U.S. told Herrera that the fund was established in response to Herrera's call for the U.S. to take care of about 80,000 base workers who would be dislocated once the U.S. leaves the bases.

But Herrera said he was first ascertaining the sourcing of the fund before he would recommend to President Aquino that it be accepted.

Herrera's stand apparently seems from charges made by nationalists that the U.S. has been offering more grants and concessions to the country so that the senators would change their minds about rejecting the treaty.

Sen. Leticia Shahani, breaking her silence on the bases controversy, yesterday cautioned her fellow senators against making a premature stand on the bases treaty, saying that the chamber needed more information on the treaty's impact on the country's economy.

Apparently, Shahani was referring to a straw vote that was conducted by Senate President Jovito Salonga where a majority of senators said they would block the new treaty.

"I also harbor reservations about the treat," Shahani said in her privilege speech. However, it would be more wise for the senators to study measures that will give the chamber the hard figures instead "of making bets on who will vote yes or no among us," she said.

Manglapus Mounts Pro-Ratification Campaign

HK0608052491 Quezon City MALAYA in English 6 Aug 91 pp 1, 6

[By Marie Rose Feliciano]

[Text] Foreign Secretary Raul Manglapus yesterday said the Aquino administration has junked a plan to hold a nationwide consultation on the new bases agreement with the United States.

He said the administration will hold an information drive instead.

The drive will include visits to the provinces by Manglapus himself and a TV documentary, set to run for two days, explaining the provisions of the new treaty.

Manglapus also said the treaty, which will be initialled soon, can be ratified within a month.

Sen. John Osmena (Ind.), meanwhile, renewed his criticism of Senate President Jovito Salonga (LP [Liberal Party]), calling the Senate chief a "bastonero" for allegedly manipulating senators into ratifying the treaty.

Salonga dismissed the allegations and said Osmena has become his "unofficial propagandist."

Sen. Joseph Estrada (PMP [Party of the Pilipino Masses]), one of the senators who came to Salonga's defense, said: "Huwag nilang sabihin na minamanipulate ako ni Senator Salonga." ["They should not say that I'm being manipulated by Senator Salonga"]

Meanwhile, visiting British Deputy Foreign Minister Lord Caithness said his government hopes for an early conclusion of the bases issue.

"That is a decision that both Philippine and American Governments have got to decide amongst themselves. But obviously, we would like to see an earlier settlement," he said.

Manglapus said despite prospects of rejection of the treaty by the Senate, the administration will not hold a national consultation. It is not even considering a national survey, he said.

"I feel that there is a need for an information drive and that is what we are undertaking. I just taped a television documentary that will help disseminate information on the treaty," he said.

Manglapus also said he visited San Fernando, La Union last Friday and is scheduled to leave for Cebu and Iloilo this weekend.

Pressed by reporters on whether a national consultation will be held, Manglapus said: "I don't know what you mean by consultations. The information drive...when I go for example to the provinces, I address civic organizations. They ask me questions. In the end, they make suggestions. I don't know whether you call that consultations."

On the straw vote in Senate which shows 16 senators opposed to the treaty, Manglapus said: "What are called straw votes are very important; they are part of the democratic process. However, the Constitution does not say that this treaty is to be ratified by a straw vote. It is to be ratified on the floor of the Senate.

Economic Study for Post-U.S. Bases Era Urged

HK0608055791 Manila THE CHRONICLE in English 6 Aug 91 p 7

[By staff member Johanne Son]

[Text] Senator Leticia Shahani yesterday called on the Senate to draw up an "objective" picture of the economic consequences of its rejection of the bases treaty, even as Sen. Aquilino Pimentel Jr. dismissed the accord as a "sting."

In a dig at much publicized tallies of senators position. Shahani said that a study of those consequences was more useful to a decision on the bases than "making bets on who will vote yes or no among us."

Shahani who took the floor on the bases issue after Sen. Vicente Paterno's speech Friday, is chairman of the committee on foreign relations which will hold formal hearings on the bases treaty when it is transmitted to the chamber.

"The members of the Senate should study measures that will give us the hard figures, the real picture of what may take place as a result of this body's decision on the RP [Republic of the Philippines]-U.S. Bases Agreement," she explained.

Shahani has asked the University of the Philippines School of Economies to come out with a study on the economic impact—"particularly in relation to the loss of economic benefits"—that could occur if no new accord is ratified.

Earlier, Sen. John Osmena filed a resolution asking the defense committee to study the effects on the "state of military preparedness" of the Armed Forces should the Senate reject the accord and cause the loss of $100 million in aid to the military.

The treaty sets aside $100 million for foreign military equipment, $3 million for international military training and an unspecified amount for excess defense articles.

Shahani said that information on the consequences—which some senators have said include loss of "extra" aid from the United States and Japan-would give senators the other side of the bases equation as they make a decision on whether to ratify the accord or net.

Because the consequences are are unclear, shahani said she had as yet no final position on the accord, which she described as a Cold War document filled with "problematic" provisions.

Among these are provisions on allowing the passage of nuclear weapons and vessels, the disposition of Philippine natural resources, and whether the accord would indeed be ratified by the U.S. Senate, she said.

"But what prevents me now from making a final decision is that despite all that has been said for and against the treaty, the implications of any decision which the Senate might make, have not yet been authoritatively set out," Shahani said.

Pimentel, who said he is voting against the treaty, said: "The proposed agreement is simply a "sting" being perpetrated upon us by a "special friend."

Saying his objections rested on both too low compensation and overly long duration, Pimentel disputed the so-called economic argument for the bases stay.

"If indeed U.S. money and influence are that crucial for our development how come we are now practically the basket case of Southeast Asia?" he asked.

Pimentel also hit the U.S. for reducing its compensation at a time when the Philippine clearly needed funds for the Pinatubo rehabilitation.

"The U.S. panel has reduced the bases issue to a question of lease of real estate," he argued.

While she accepted the difficulty of getting more than the $203 million annual payment for Subic's 10-year lease, Shahani said that the Philippine panel could have gotten "a better (non-budgetary) package geared toward the Pinatubo rehabilitation."

Meantime, Salonga brushed off Osmena's proposal that he be ousted from the Senate presidency to secure ratification of the accord.

He also denied manipulating surveys on senators' positions and called Osmena "an unauthorized spokesman for the embassy."

Osmena claimed that the chamber's agreement was the survey's result would be revealed only to President Aquino and Foreign Secretary Raul Manglapus.

NDF To Declare Cease-Fire if Treaty Rejected

HK0508125091 Manila PHILIPPINE DAILY INQUIRER in English 3 Aug 91 p 1, 12

[By Pennie Azarcon-Dela Cruz]

[Text] Utrecht, the Netherlands—The National Democratic Front [NDF] will declare a unilateral ceasefire when the trend is clear that Philippine senators would reject the new bases agreement with the United States, former Communist Party of the Philippines [CPP] leader Jose Ma Sison said last week.

In an interview at his office here where he has lived in exile for the past four years, the CPP founder also hinted at the possible candidacy of members of the "legal democratic Left" in next year's elections.

Sison laughed off as "CIA propaganda" recent charges that he masterminded the 1971 Plaza Miranda bombing and said it was meant "to give the military a leverage against the NDF in the proposed peace talks."

At the same time, Sison denied the NDF had ever proposed a regional truce, saying "localized peace talks and community-based peace zones would fragmentize the revolutionary movement, which is of course the goal of the Aquino government."

It would also be a signal for local leaders of the revolutionary movement that they can make independent arrangements," he added.

Quoting an NDF statement, Sison said that "even if the Aquino government were treasonous enough to initial a draft treaty retaining the U.S. military bases, the NDF would still declare unilaterally a ceasefire when the trend is clear that the Senate is going to reject the bases treaty."

"So there is an encouragement for the patriotic senators to stand up against the bases treaty," Sison said, adding that "there is still no telling how the senators' vote would go... since some of them might need campaign funds."

He said that the draft treaty retaining Subic Naval Base and giving up Clark "would still give the U.S. effective control over the Philippines and (give vent to its) aggressive posturing against neighboring countries."

"The U.S. gave up Clark only because the volcanic debris would turn to mudflow when it rains, and would clog their electronic equipment and weapons systems as ashfall when the sun shines. Mount Pinatubo has also become a convenient excuse to reduce payments," Sison said.

He added that "the treaty has to be looked into because although the phase-down period has been limited to ten years, there is no terminal date for U.S. access to military facilities in the country."

Elections

Speaking on next year's elections, Sison said "it was perfectly alright for the legal, democratic Left to participate in next year's elections even as candidates."

"The election is a great occasion for the progressives to reach the masses and try to raise their consciousness" Sison said.

"Of course the so-called illegal left—the CPP, New People's Army [NPA] and the NDF—are banned from participation by the government, but certainly they can depart from the boycott error of 1986. They don't have to hinder the legal democratic left from participating nor do they have to impose the most revolutionary position possible," Sison said.

He added that the "illegal left" forms part of a political reality.

"And wouldn't it be fine if the progressive forces (as long as they are not recognized as such and pounced upon by the military), would be part even of reactionary institutions or processes, so the demands of the people can be amplified?" Sison said mysteriously.

Tactical Alliance

The former CPP leader did not entirely discount a link-up with other forces in the wake of reports that a tactical alliance was shaping up between the leftist and rightist sectors. The brief but potent union between the Kilusang Mayo Uno [1 May Movement] labor organization and the Iglesia ni Cristo [Church of Christ] over the price rollback issue last month supported these reports.

"I'm not very clear about the details because the situation is very fluid," Sison said, "but one thing is clear; when the legal democratic forces undertake mass action, there is no stopping other forces from joining them. It's an open field."

Alliances too may be discreet or open, Sison said.

"One may not see our forces signing up with reactionary parties but they could be consulting each other informally. Now that's an interesting thought because it provides so many ways of relating (among political groups.)"

Plaza Miranda

Just as discreet is the shadowy tie-up between the military and the Central Intelligence Agency in the charges against him in the Plaza Miranda bombing in 1971, Sison said.

"The charges are nothing but sirang plaka [broken record], old Marcos claims rehashed from lies, speculations, hearsay and military propaganda. They are based on the testimony of military agents like Ruben Guevara and Pablo Araneta as well as the book THE SILENT WAR by Victor Corpus and another book by Greg Jones."

Unfolding a photocopy of a list of institutes, foundations and professional organizations "cooperating with" the Westview Press, Jones' publisher, Sison pointed out the CIA as a prominent entry.

Sison said the charges were dredged up "by the military and American psy-war [Psychological warefare] experts to counter recent Amnesty International reports of gross human rights violations by the Armed Forces under the Aquino regime."

In an earlier press statement sent to several Philippine papers, Sison said that Marcos had tried, but failed, to extract his confession to the bombing caper even through torture.

"It would be ironic indeed if the AFP [Armed Forces of the Philippines]... would succeed by vile propaganda alone to make people believe that the responsibility for the Plaza Miranda bombing was not that of Marcos and his henchmen 20 years ago," the Sison statement said.

Sison added that the "slander" against him was meant "to distract the attention of the people from the social and natural calamities... and the treacherous terms of the draft U.S.-RP [Republic of the Philippines] military bases treaty."

"I don't know where (PNP) [Philippine National Police] Director Gen Cesar) Nazareno's loyalties lie, but doesn't the military realize that the same charges would hit the late Senator Benigno Aquino, who was accused of directly benefitting from the bombing incident?" Sison said.

Peace Talks

Worse, he added, the charges are a crude attempt "to put the NDF on the defensive, to discredit its human rights track record and to cast doubts on the sincerity of its peace talk proposals."

"Only the naive would believe that there is no struggle beyond the negotiating table," Sison said of the charges.

The NDF, he said, is sincere in its proposal to dialogue for peace, "even if the framework of the government has changed the peace process from the beginning."

The Aquino government, Sison said, has insisted that prior to the ceasefire talks, the NDF should first submit to the Constitution, and that the NPAs should surrender."

"The moment the NDF submits to the Constitution, then there is no more basis for talking. They'd tell us: "Why don't you just wait for Congress to legislate your demands?" Sison said.

Propaganda

Dismissing speculations that the NDF might have been using their peace talk proposals as part of their propaganda campaign, Sison said: "With or without peace negotiations, the NDF and its component-organizations can very well arouse, organize and mobilize the people in so many areas in the Philippines. Even with its soldiers all over the country, the AFP is so alienated from the people that nothing prevents the NDF from carrying on its revolutionary cause."

Sison also downplayed impressions that the NDF has proposed a nationwide ceasefire because the NPAs' ranks have been decimated and their forces overtaken by battle fatigue.

"The NDF is not on the losing side," Sison said. "On the contrary, it is the government that has been losing a lot of resources to destroy the (revolutionary) movement. It has been spending a lot and misallocating resources to support an abusive military," Sison said.

Political Asylum

His request for political asylum in the Netherlands where he has stayed with wife Juliet since Jan 23, 1987, has been denied by the justice ministry, Sison admitted. But their application is now on its second stage and pending before the Advisory Commission, he said, adding that their first two years in the Netherlands were spent lecturing in 16 countries throughout West Europe.

When conditions permit and once his cancelled passport ahs been given back, Sison said he would return to the country.

"Do you know," he asked, "that Mrs Aquino blocked my return by using the same Marcos letter of instruction previously used to stop Benigno Aquino from coming home?"

In a lighter mood, Sison jested: "So far, no presidentiable [Presidential hopeful] has yet offered me a way in and no one has yet offered to take me as adviser should he be elected president."

Daily Details 'Troubling' Story of U.S. Bases

HK0608090391 Manila THE MANILA CHRONICLE in English 3-9 Aug 91 pp 9, 10

[By Alex Magno]

[Text] The story on the U.S. bases has been long, troubling and ironic.

The plot has been complicated by domestic political turmoil, a web of intrigue and ideological hang-ups—and then by a volcanic eruption.

The long negotiations leading towards a grant of extension for the military facilities produced a draft treaty deemed defective by a critical mass of the Philippine Senate—the body mandated to ratify the agreement. From all indications, it now appears that this story is not about to finally leave us in peace.

Pinatubo's eruption, in the most unlikely manner, upset the dynamics of the bases question. It dramatically altered what should have been the last phase of a frustratingly protracted negotiations process.

The destructive outcome of the eruption altered not only the terms of the negotiations but the terms of the domestic political debate as well.

Ashfall and mudflows from the angry mountain rendered Clark Air Force Base unusable for an indefinite period. It also made life miserable for servicemen and their dependents at the Subic Naval Base.

As a consequence, the U.S. abruptly switched its negotiating position. Clark is now to be abandoned because the cost of repairing the facility and the indeterminate nature of volcanic activity makes retention of the base unwise. Under pressure from the budget cuts, base closures on the mainland and a public opinion expectant of a "peace dividend" from the end of the Cold War, American decision makers are hard-pressed to justify continued maintenance of the facility.

The decision to close down Clark and completely abandon it within a year necessarily meant a reduction in the compensation offer originally agreed upon. For a ten-year extension for Subic, the U.S. now offers a cash compensation of only $203 million annually.

The reduced compensation offer affects the base of support for retention that was grounded on economic benefits derived from the presence of the facilitis. In particular, it cut into the "pragmatist" vote in the Philippine Senate that was otherwise favorable to the retention of the facilities.

In the light of massive social and economic dislocation, the switch in the American position on the bases is perceived as overly callous and insensitive to the plight of an erstwhile loyal ally. Although grounded on solid pragmatic considerations, the U.S. action on the bases violated Filipino expectations about what constituted friendly behavior at a moment of need.

This cultural nuance, in turn, produces new political complications that put the public acceptability of the draft treaty in serious doubt.

The closure of Clark Air Base and the reduced efficiency of Subic Naval Base, in turn, implies an over all reduction in U.S. military deployment in the East and Southeast Asian regions.

The early clsoure of Clark was as unexpected as the eruption of a volcano thought to be dormant. The closure drew strategists in all our neighboring countries back to their maps and onto their drawing boards, revising calculations and conjuring new threat scenarios.

The dramatic easing of tensions between the superpowers should have otherwise calmed anxieties about imbalances caused by withdrawal of military forces from their traditional deployment. But the experience so far has shown that as the superpower rivalry fades, regional conflicts loom among medium-sized powers. The recent Persian Gulf crisis demonstrates this rather emphatically. That crisis, ironically, also reinforced expectations that U.S. military power shall henceforth orbit pocket conflicts and punish regional bullies.

Instead of reducing expectations on her to play the role of global policeman, the United States now finds itself, as the sole superpower on its feet, with the burden of greater expectation to play precisely a role it can now no longer afford to subsidize.

There are two contrary views on the reduced U.S. military presence in the Philippines.

The first considers U.S. military forces to be overdeployed in the East Asian region relative to progress achieved in reducing tensions and drawing down the superpower arms race. The reduction of force presence in the Philippine bases is therefore strategically insignificant.

The second perceives current force levels as being as the minimum required to guarantee continued regional stability and calm anxieties about the security of the trade routes crucial in keeping the viability of the East Asian economies. The reduction of U.S. force levels in the Philippine bases is therefore perceived to be significant and thus a source of anxiety.

The perception that a "slack" in the minimum force level is essential to guaranteeing regional stability, further complicates the picture. The Japanese and the Singaporeans are particularly sensitive to the perception of such a "slack."

The Singaporeans are particularly anxious over the fact that they lie in the middle of a "Malay sea." "They are uncomfortable over the strategic designs of their giant neighbor, Indonesia. They are therefore particularly attached to the idea that the Americans maintain substantial forwardly-deployed forces in their Philippine bases.

The Japanese, on the other hand, are apprehensive that if the momentum of U.S. withdrawal from the region continues, pressure will mount on them to fill in the stabilizing roles traditionally played by American forces. Such pressure will place Japanese leaders in dilemma.

Both domestic public opinion and their neighbors' fears of rearmament restrict Japanese flexibility in their defense policies. Pacifist public opinion and Asian anxiety over the consequences of a re-armed Japan will tend to increase as American pressure mounts on the Japanese government to increase its participation in maintaining regional stability.

Japanese political leaders would rather not endure this strategic bind. This explains their preference for maintaining U.S. military presence in the region.

The imminent reduction of U.S. presence in the Philippines (or its outright withdrawal if no treaty is forged) has encouraged a wild hunt for new scenarios of regional disorder in place of the obsolete Cold War scenarios. The most frequent object of speculation of late has been the Spratly islands now claimed by six nations.

Speculation over the Spratlys becoming the spark of regional conflagration has increased since U.S. Force reduction in their Philippine bases became imminent. While the claimant nations do maintain military detachments in the islands, the likelihood of a major multisided confrontation developing is probably as remote as the prospect of a Soviet-Japanese military entanglement over the Russian-occupied northern islands.

Too, the reduction of U.S. presence in the Philippines has fueled new speculation about domestic political instability in the host archipelago. A number of foreign analysts are seduced by the idea that domestic political stability is keyed to substantial American force presence in the Philippines.

The link between U.S. presence and domestic political stability has been encouraged by the imagery of U.S. planes flying "persuasion flights" during the December 1989 coup attempt. Although the link is actually tenuous, its constant repetition provides it some credibility, particularly among international investors cautious of the risk levels in the Philippine market.

The actual impact of American withdrawal from Clark on investor confidence is difficult to measure with precision at this time. U.S. military presence is only one of many significant variables explaining why investors are wary of the Philippines.

The damage caused by Pinatubo on the American military facilities undermined both the premises of those who are pro-retention and those who are against continued U.S. presence in the Philippines.

Among the most appealing contentions of those who want U.S. presence terminated is the possibility for converting the military facilities to civilian use. Such a conversion is estimated to be more beneficial to the Philippine economy in the long run.

The plans for conversion of the facilities, particularly Clark, did not take into account the possibility that Pinatubo might erupt. Today, Clark is almost totally devastated and the economic realities we now confront are not encouraging the possibility that this abandoned base will have any use at all in the foreseeable future.

Neither are we in any realistic position to make productive use of Subic in the event that this base, too, is abandoned by the U.S. Our economic realities undermine the fantasies of those driven by orthodoxy.

On the other hand, those who favored retention cited the compensation package and the offbase spending of U.S. servicemen as beneficial to the economy to the point that the infringement of our sovereignty becomes justifiable.

With the closure of Clark, the reduced presence at Subic and the drastic cut in the compensation package, the economic appeal of retaining the bases is diminished. For a while, pro-bases Senator John Osmena wavered in his support for retention, citing the stinginess of the compensation package offered by the Americans. This is indicative of the declining economic appeal of retaining the bases.

The main factor that seems to be holding up public opinion support for the retention of the bases is the brutal fact that in the face of a major calamity, we have no better option for Subic and Olongapo. Fate has been cruel to our nation.

There has emerged, after Pinatubo's big bang, a new basis of opposition to the proposed bases extension. The terms of debate have transcended the traditional arguments between those who favored retention and those who wanted the bases out.

The opposition to the bases extension arrangement derives largely from the perception that the proposed treaty was badly negotiated and grossly unfavorable to the Philippines. This perception explains the swing of the socalled "pragmatists" in the Senate towards a negative vote on the draft treaty.

The fate of the draft treaty is made even more problematic by politics of the Senate.

Excluded from the negotiations process by a jealous Presidency, the Senate is now taking its role as the ratifying body with some amount of vengeance.

The growing public perception of the lopsidedness of the proposed treaty is now encouraging the Senate to seize this excellent opportunity to slamp down the Aquino presidency. This is an opportunity made more attractive by the proximity of elections.

In a caucus called last Tuesday by Senate President Jovito Salonga, it has become clear that the administration shall not have nearly enough votes to hurdle the ratification process. Even as a two-thirds vote is required to pass the draft treaty, a definite majority of the senators are inclined to reject the draft outright.

It shall be unwise for the Presidency to push for ratification at this point and invite outright rejection.

Given crystal clear signals from the Senate, the Aquino government will now have to withdraw the draft and invite the Americans to reconsider the agreement thoroughly. The Americans must now quickly signal flexibility or risk a hardening of political positions.

Considering all the political positions already indicated, two outcomes may be generally anticipated.

First, the draft treaty will be quickly and substantially revised, taking into account the main points of Senate objection in the document. The Senate may even be directly involved in the renegotiation process, something that the Aquino administration should have considered from the start.

Given the ascendant political position of the Senate at this juncture, the administration will have to publicly back down from its earlier position on the bases extension agreement and concede to the institutional ego of the Senate. The renegotiation might be a full-blown affair or simply a meeting of technical panels from both sides.

What is definite is that the street-smart senators are not going to miss a beat in piling political points at the expense of a beleaguered presidency. They will make the Executive Branch bleed for arrogance with which the Senate was handled in an earlier season.

The second general scenario is a lot grimmer. It will happen if the U.S. hardens its position and/or the Aquino presidency stubbornly refuses to appease the Senate.

In this second scenario, the draft treaty is rejected and renegotiations do not occur quickly enough to beat the Sep 16 deadline set by the Constitution.

Should this happen, the Aquino administration will have to ask the Americans to leave immediately not only from Clark but from Subic as well. Should the presidency fail to do this, it will be dragged into a constitutional crisis by both the anti-bases militants and the political opposition.

The Americans might try and hedge, using their interpretation of the Ramos-Rusk Agreement that sets the deadline for next year. If they do this, nationalist sentiments will be inflamed and the bases question might override other issues in the forthcoming elections.

It is clear by now that however things turn from this point on the bases question, the Aquino presidency must accept substantial political costs.

De Villa Talks on Insurgency, Bases Issues

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[Interview with Defense Secretary Renato de Villa on "Liberty in Action" program by host Joe Taruc—recorded, italicized passages in English]

[Text] [Taruc] Mr. Secretary, good morning and welcome again to Liberty in Action.

[De Villa] Good morning Joe and to all your listeners around the Philippines. I am glad to have this opportunity to come to your program to explain some issues which are pondered on by our fellow countrymen.

[Taruc] Mr. Secretary, I will not beat around the bush anymore because we have so many questions. First of all is about the arrest of Rolly Kintanar and Gloria Jopson at the Makati Medical Center yesterday. What can you say about this? There have been several leaders of the New People's Army [NPA] who have fallen into the hands of the Armed Forces of the Philippines [AFP] or the Philippine National Police [PNP] in so short a time.

[De Villa] The arrest of these leaders was the fruit of a long time search and it is happening now because the various projects are now succeeding. The units of the AFP, specially the intelligence community, and the PNP are strictly implementing these projects in order to capture all those in the Communist Party of the Philippines [CPP]-NPA leadership. What I can say on Rolly Kintanar is that I had a conversation with Colonel Adiong yesterday and he told me he had been waiting for this chance when Rolly Kintanar came here. Since he escaped in 1988, the PNP has launched an extensive project, including the intelligence community of the Armed Forces, in order to hunt him down because he is a big fish in the hierarchy of our enemies.

[Taruc] Mr. Secretary, almost all of the CPP-NPA leaders you have captured in the past few days were all arrested in Metro Manila. Does the group have any particular activity going on in the Metro Manila area?

[De Villa] We could not assert that directly—that they are planning something or they have a plenum here now, because they just finished their plenum last summer. What I can say is that they are here in Manila because first of all, most of them want an urban life and some luxury. They are having difficulties living in remote provinces. Secondly, Metro Manila is still the center of communication nationwide, and they want to share what is available here in Manila to communicate with each of their units. Thirdly, it is easier for them to merge with the people here in Metro Manila and mislead anybody who may be monitoring them than when they are in the provinces. It is easier for us to monitor them in the provinces than when they are here in Metro Manila. However, despite this, we also have a concentration of intelligence efforts in Metro Manila by all the branches of our intelligence community.

[Taruc] Mr. Secretary, on the reward system which is being implemented by the Armed Forces, when Rolly Kintanar was first arrested in April 1988, did the authorities pay the one-million pesos offered for his capture? And if he escapes again and is rearrested, are we going to pay the reward again?

[De Villa] We have a list of their top brass including the prices on their heads for their capture and if they are arrested, these are paid out. But if they escape, are hunted again and the reward authority for them remains enforced, then that is still there.

[Taruc] What does this mean? Are we going to pay again for Kintanar?

[De Villa] I will have to review it again, Joe. But I think that is how things should go.

[Taruc] You know, it seems there is a coincidence, because at the time of his escape, the camp commander was Colonel Percival Adiong, and when he was rearrested, it was again Colonel Adiong who arrested him.

[De Villa] That is right, Joe. This was a good opportunity for Colonel Adiong because he was then the camp commander and Lito Kumilang was his detention officer. Colonel Adiong, two weeks or so ago, declared he has good information which could bring him success, and, yes, he was successful.

[taruc] With the arrest of Kintanar, Jopson, and 15 other rebel leaders, secretary, how would you now assess the CPP-NPA organization?

[De Villa] The AFP command conference was concluded yesterday. I was invited to it. Their finding is that the CPP-NPA-National Democratic Front [NDF] continues to fall. But, now with the arrest of General Abadia's counter part in the CPP-NPA, this hurts their movement a great deal. I think a situation of disarray in their leadership will worsen, and their leadership capability will be diminished a great deal.

[Taruc] In the past several years, Mr. Secretary, the major problem of the Armed Forces has been the insurgency problem. With these arrests of the rebel leaders, can we say that our number one problem is no longer the insurgency?

[De Villa] Joe, what I can say is that, even if this is connected, I think our number one problem is our economy. This has been our problem since the start. But we should not relax in relation to the communist insurgency because even if their fall is seen, and I feel that this would be realized soon, we could not ignore it just yet. As I said earlier, these are connected, but our problem is in the economy.

[Taruc] As the secretary of the Department of National Defense, Secretary de Villa, from your assessment, what is the more serious problem, is it the problem with the right or with the left?

[De Villa] The ultra-rightists are already very weak, Joe. And they do not have the capability to regain their original strength, unlike the CPP-NPA. Even if it is reduced in number, it has the capability to increase its force again if we do not continue to check them. However, at this point in time, the CPP-NPA still remains our biggest insurgency problem, even with Gringo being still at large.

[Taruc] You know, Secretary De Villa, with the excellent performance of the Armed Forces or the Depatment of National Defense as a whole, our fellow countrymen have the impression that if there is a will there is a way. What I mean is that when a campaign is launched against the NPA, the authorities usually succeed. Why is it that when it comes to the rightists, it seems we have not captured as many, and they even escape sometimes.

[De Villa] Joe, your question is good. But I don't think that is true. Because in fact, who are left among the rightists, let me count: Greg Honasan, Commodore Calajate, Red Kapunan, and from the younger group are Washington Javier—Captain Javier—and Captain Sabas. If you look at the rightists, maybe about 90 percent of them are already inside—90 percent of their leadership structure. Like I was saying, with the improvement of the Armed Forces—with the unity being strengthened among the democratic and pro-constitution men of the Armed Forces—the ultra-rightists continue to diminish and weaken. Like I said there are only a handful of the rightists who are still at large. On the CPP-NPA side, the time will come when we eventually resolve—totally resolve—this problem.

[Taruc] Mr. Secretary, we know that at present, your nomination is still at the Commission on Appointments. With this performance and the result of these operations carried out by the Department of National Defense, how would you assess your chances of having to be confirmed?

[De Villa] On that subject, Joe, I think I have already said everything for my part, and I think the nation has heard me. However, up to now, I believe that eventually I could hurdle this, especially because I know they will do their job in taking a good look *at my qualifications, and I think in the end they will judge me as they see it on the basis of the fact that it is their duty to render a judgement.* But like I said in a recent interview, whatever decision there will be, I would respect that.

[Taruc] Mr. Secretary, the only point we see on the objection to your confirmation was your closeness with Secretary Fidel Ramos. Do you consider your closeness to Secretary Ramos an asset or a liability?

[De Villa] It depends, Joe. What I can say is that I cannot deny that we have been close to each other because we shared something together, especially during the difficult situations. I have known him since I was a captain. I cannot deny I know him. That is my culture. What I can say is that even if he is close to me or anybody else for this purpose, there is still a boundary between duty and friendship. As we say it in English: *There is a line between duty and friendship.* And if there is a conflict between the two, it has to be duty first before friendship.

[Taruc] Okay, Secretary. One important topic or issue is about the agreement which is in the making regarding the military bases. For the Department of National Defense, this is a vital issue because if there will be no agreement, you will be most affected because $100-million is allocated for our Armed Forces annually, and if this is lost, three-billion pesos will be automatically slashed from the budget of our Armed Forces. What is your opinion on this, Mr. Secretary?

[De Villa] We recognize this as a very serious issue for our country, and we are glad that it is being discussed and that each side has the opportunity to explain their positions so that the whole nation will be informed of the real issues contained in this proposed treaty. I consider this a healthy sign for being a sovereign country. For us at the defense department, it is true that we would be most affected if the treaty is rejected and the Americans are told to leave the Philippines, because as of this time, we believe that our government does not have the capacity to give the equivalent support that we are getting from the Americans, such as our aircraft, airplanes, helicopters, and sea-going vessels; especially in the navy, where we have a new program to expand a fleet of small craft—the one we call fast patrol craft. We have thirty of these under the program, and we have already obtained four; these will have to go. We also have a program to replace transport vessels; this will also go. With our air assets, our first immediate problem will be maintainance. Our government might not be able to give enough support for maintainance. So this will boil down to the weakening of our anti-insurgency campaign because these things which we use are no longer available. Of course, well, we will not give up, and we will not be negligent, but our capability will be lessened.

[Taruc] Okay, Mr. Secretary, are you saying that the Department of National Defense has not prepared for such an eventuality, like the rejection of the U.S. military bases treaty.

[De Villa] We are preparing for this Joe, because as a matter of fact, since we are in a democratic society, we are only to abide by whatever decision rendered on this by our president and the Congress. So, we are preparing for that also. But what I'm saying, Joe, and it is very clear, is that our government may not be able to afford and to give all-out support to the Armed Forces of the Philippines, if we lose our maintainance money and assistance for the modernization of the Armed Forces. It is vital that the government replaces the support we will have to lose so as not to compromise and weaken our campaign against the enemies. The only thing we fear is that it might not be replaced.

[Taruc] If you are asked by the Senate, which is the ratifying body of the government, what your position is about the said treaty, does this mean that you will give your full support for the ratification of the treaty.

[De Villa] I support, Joe, the position of our president on this matter.

[Taruc] Mr. Secretary, many are saying that if our government had only prepared for the eventual rejection of the treaty or the pullout of the Americans, during the past years that the Americans were here [changes thought]. We were benefiting from the U.S. Government especially in terms of armaments and other military hardware, why were we not able to modernize at that time?

[De Villa] Past is past, Joe. And different administrations have already passed, and we can no longer dig into their mistakes, if ever there were any. But the truth is, our government is hard put to support all the needs of the country and of our national defense. You know Joe, they are balancing all these—which should be given stronger support? Should they give more support to education, infrastructure, economic development, or our defense requirements? Which is why we lag behind the priority programs of the government. We're not the very last, but a closer to the front. Yet, in balancing government priorities, the leadership is making a decision as to what should come first. Because our leaders in the past and up to the present think that we should give priority to economic welfare and social services, the purchase of armaments comes last. Thus, we have to rely on what the Americans can give us, since something has been coming. But should that help stop coming, maybe we should start thinking about what we should do so we can remain a free country in this part of the world.

[Taruc] Okay, let's go back to our program. We continue receiving many phone calls from our listeners. But there is one here, Secretary De Villa, who is asking why of all places, was Kintanar captured in Makati Medical Center.

[De Villa] Perhaps, Joe, Kintanar and their leadership should just be the one to explain that. But you know how expensive it is in Makati Medical, and maybe they have so much funds, and second, this proves what we have said before, that they have many comrades from the mountains in different provinces who are demoralized because they can see that their leaders are in Manila living in apartments and condominiums, and even have cars. In fact they had two cars at Makati Medical yesterday, but the Constabulary Highway Patrol Group failed to seize them. They seem to have a comfortable life in Manila, but in the provinces, they look like mice who keep running and looking for food. The same thing has been said by the rank and file prisoners. They can see from television, they can hear from radio, and they can read from newspapers that their comrades in Europe like Joma Sison, seems to have a comfortable and stable life; so what's happening now with their revolution? This is what we observe as having been said from the bottom. Now, those who are in Metro Manila, those we captured last year, they have apartments. They have conveniences which are in Manila which show that they are well supported here, while some of their members at the bottom look like mice who keep on hiding and having difficulty even in looking for food.

[Taruc] Alright Mr. Secretary, so as not to mislead our countrymen, who might have the impression that you have an all-out campaign against the leftist, and yet you don't have any campaign or effort to capture the rightist. Do you have a campaign about this or does the previous statement of General Abadia about an open-door policy in so far as the rightists are concerned still hold?

[De Villa] As I have said in other interviews I have had, I support what I call the Abadia initiative, because it can still succeed despite the escape of Saban and the intention of others in their group to pursue their ultra-rightist movement. I think, Joe, we can find a solution to that problem soon.

[Taruc] Don't you have any plan to launch an all-out campaign against the rightists? Meaning, the rebel soldiers at large.

[De Villa] It does not mean, Joe, that while we have an open-door policy, we will ignore what we used to do, because we did not declare any suspension on search operation. The hunt for them continues. The campaign against their plans continues. The measures we have taken to stop them from creating trouble for our countrymen continues. We have just said during the command conference yesterday that while we are open to dialogue, the readiness of the Armed Forces, the readiness of the Philippine National Police should there be more trouble from their ranks, remains.

[Taruc] Secretary, last Saturday evening, when there was an attempted escape by Saban, Billy Bibit, and Abenina, personally, how did you feel when you received the information that there was an attempted jailbreak?

[De Villa] Initially, my feeling was, why was there a breach of security? What happened? Second, maybe this was part of the plan by some of them who escaped, because the escape has always been there. This is not just an assumption because we have an intelligence report that the escape plan was always there on the side of the hard core. On the side of the hard core, they will always do everything to save themselves or free themselves, so they can go on living underground.

[Taruc] Didn't you have any notion that *this could be the start of something big,* Mr. Secretary?

[De Villa] No, Joe. We are not worried.

[Taruc] Because during that night we observed that all officials inside Camp Aguinaldo were confused.

[De Villa] Of course, Joe, when a big personality escapes or had escaped, it is automatic that there will be an alert, a search party, and an automatic information relay to all departments of the Armed Forces and the Philippine National Police that there was an attempted escape. But we don't believe that this has something to do with an impending large scale uprising. We don't believe that. We believe that they only want to escape and probably after that they will plan again or carry out whatever they want to do to stir up trouble.

[Taruc] What about the possibility that they are in connivance with those inside the Armed Forces, Mr. Secretary? You know those from inside, no matter what, will not have the nerve to escape or whatever without any connivance from within.

[De Villa] We cannot discount that possibility. We cannot just ignore that they have some who they have recruited and are within the establishment. Just like General General Abenina, he was waiting for a Pajero [brand of vehicle] to fetch him. But instead, he came across a vehicle which was searching for him.

Subic Use by 3d Countries Hinders Pact Signing

HK0608121191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Aug 91

[Text] The piggy back issue is hindering the signing of a new U.S. bases military bases agreement. Here is Rey Arquiza with the details:

[Begin recording in progress]...when the signing of the new U.S. bases treaty would take place because the Philippines and the United States could not agree on the remaining issue termed piggy back. The United States wants the Philippines to allow the use of Subic Naval Base by its third country-allies like New Zealand, Malaysia, and Singapore. The present military bases agreement has a provision which allows the U.S. to extend the use of its two military bases for the training of New Zealanders, Malaysians, Singaporeans, and others. The Philippines refused to include this provision in the draft military bases agreement because it appears that the United States is sub-leasing the Subic Naval Base to other countries.

According to United States Embassy spokesman Stanley Schrager, the signing of a new treaty might take a little longer, but refused to say why. [end recording]

Manila Increases 1991 Budget Cut by P1 Billion

HK0608062791 Manila THE CHRONICLE in English 6 Aug 91 p 1

[By Arleen Chipongian]

[Text] The International Monetary Fund (IMF) has allowed the government to cut by another P [peso] 1 billion its expenditures this year.

The cut would spare infrastructure projects but hit hard state companies, ranking government officials said.

The move is not unwelcome to a government that doesn't have the money to see through its programs. Revenues have been down and Congress, despite nagging by the Executive branch, hasn't budged to enact now revenue measures.

That admancy has cost the country some economic momentum since the initial cost-cutting, deemed inevitable early this year despite the imposition of the 9% import levy, had seen vital foreign-funded infrastructure projects shelved because the government couldn't put up enough pesos to finance their local costs.

Next year, the government hopes to make up for this by setting aside more pesos as counterpart funds for these projects such as roads and bridges and other infrastructure that serve as lure to investors in areas where they are put up.

But for this year, what little money is available has to go to critical areas. The government wants to pump-prime a lethargic economy and the way to see that through while cutting spending is to starve state companies of equity and other financial support.

The sources said the new spending cut was approved by the IMF during the July formal review of the country's economic performance under the 18-month economic stabilization program. The government in the first half of this year underspent by P18.2 billion from a programmed spending level of P131.3 billion.

That gave the government budgetary surpluses and also worried the IMF and the Asian Development Bank, among other creditors, because priority projects were being sacrificed for fiscal imperatives.

Under the economic stabilization program with the IMF, the multilateral financial institution monitors various components of the program, including the budget activities.

Official sources said the decision of the IMF to cut the spending level by P1 billion means the country now has the leeway to meet the revised and trimmed spending level.

In the second half of the year, the country is targetting to spend P147.9 billion against the actual expenditures made in the first half this year of only P109.5 billion.

This shows the government is under pressure to spend more in an effort to show that it is helping pump-prime the economy.

Foreign-assisted projects, meantime, require peso-counterpart funds of as much as 25% of the total cost of the project.

This year, under the 1991 budget, Congress allocated only P15 billion for foreign-assisted projects.

Budget Official on Foreign Project Funds

HK0608061691 Manila THE CHRONICLE in English 6 Aug 91 p 9

[By Arleen Chipongian]

[Text] The Philippine government will increase the peso counterpart funds for foreign-assisted projects next year to P [peso] 30 billion from the original projection in 1992 of only P17 billion to ensure continued foreign exchange inflows, an official of the Department of Budget and Management [DBM] said.

The increase has been approved by the Development Budget Coordinating Committee (DBCC) chaired by Budget Secretary Guillermo Carague and composed of Cabinet economic officials.

The same official said the executive branch would push for the more peso counterpart funds next year following the concern raised by foreign creditors on possible project delays and cancellation of loan inflows if the country fails to raise the peso funds.

The DBCC put the peso fund level at P25-P30 billion to ensure disbursement of committed foreign loans as scheduled in 1992.

Originally, the executive branch was programming a P17-billion budget for the peso counterpart financing next year following the drastic cut in the allocation made by Congress in the 1991 budget.

However, the DBM official said the increase in the proposed peso counterpart funds was necessary next year to also ensure that the country will meet the committed expenditures level under the 1992 fiscal program.

It will be recalled that official creditors led by the International Monetary Fund and the Asian Development Bank have indicated concern over the low expenditures level of the country in the first half of this year.

Most of the country's official creditors composed of bilateral and multilateral financial institutions require debtor countries like the Philippines to put up as much as 25% peso counterpart funds for their funded projects.

The move of Congress this year to cut the peso counterpart fund level has put the government, particularly economic managers in charge of negotiating for new loans, in a quandary.

A slowdown in spending activities indicates that the country may not be pursuing the necessary infrastructure projects and capital outlays needed to help pump-prime the economy.

In the first semester this year, the national government spent P109.5 billion or below the programmed P131.3-billion expenditure level this year.

Earlier, Finance Secretary Jesus P. estanislao said the national government targets to spend P147.9 billion in the second half of this year.

The same DBM official, meantime, said the higher spending level in the second half of this year was "doable" as Congress has approved the 1991 general appropriations act that is necessary prior to any disbursement of funds.

The GAA [General Appropriations Act] approval was needed before the release of the P7 billion budget to cover for the increase in the salaries of government workers.

Aquino Drops Taiwan Pact; Sea Lanes To Open

HK0608033691 Manila THE CHRONICLE in English 6 Aug 91 pp 1, 6

[By staff member Lito Zulueta]

[Text] President Aquino yesterday discarded a formal agreement signed last month by Taipei and Manila providing Taiwan with sealanes within Philippine territory on the way to international fishing grounds.

But in the same vein, Mrs. Aquino unilaterally declared two sealanes in the Pacific Ocean as open for "innocent passage" of foreign fishing vessels, primarily of Taiwan.

Press Undersecretary Horacio Paredes said the agreement, signed in Taipeh last July 7, would be considered as merely a "record of discussion" between the two countries.

In downgrading the agreement, the President appears to be placating the People's Republic of China [PROC], which is diplomatically recognized by the Philippines as the true China, with Taiwan as its mere province.

And in opening sealanes for Taiwan's use, the President did not entirely rule out the July 7 pact.

Sources said the agreement could have passed as an economic accord if not for the fact that Assistant Executive Secretary Roberto Lucila had signed it in the name of the "Republic of the Philippines" and Mau-Ying Tjiu, the vice chairman of Taiwan's agricultural council, in the name of the "Republic of China."

The designations, sources said, more than implied Philippine recognition of Taiwan as a state, clearly violative of the "one- China" policy.

Paredes explained that the Philippines, Taiwan and PROC have their own versions of the "one-China" policy.

"No one will take it against the Philippines if it begins interpreting the 'one-China policy' in its favor," he said.

Paredes said Taiwan had been consulted on the downgrading of the agreement. He added Malacanang believes PROC would understand and accept the President's decision.

The President's unilateral declaration opening the sealanes is contained in Executive Order 473, which she signed yesterday.

"There are hereby established two sealanes to be used by foreign fishing vessels in the South Pacific Ocean and in returning to their home ports," the order said.

The order said the provision of the sealanes is needed so that disputes arising from foreign fishing vessels intrusion in Philippine waters could be avoided "in the interest of the international relations of the Philippines."

Although the sealanes are open to all fishing vessels upon prior natice to Philippine authorities, Paredes said they have been so designated to make Taiwan its "main user."

Foreign vessels using the sealanes, according to the order, should proceed without delay, not perform any fishing activities, refrain from force, observe international protocols, not pollute the lanes, and not carry out research and survey studies without clearance from the government.

In addition, Mrs. Aquino, in a series of memoranda, directed acting Justice Secretary Silvestre Bello III to expedite cases against Taiwanese fishing vessels and their crews intruding on local waters, and if warranted, release the vessels upon the posting of a bail bond, that may be increased in the future.

She also instructed Rear Admiral Mariano Dumancas, the Navy chief, to accept the Taiwanese donation of five fishing vessels, with one vessel to be given to the provincial government of Batanes and the rest, for "national security operation."

Paredes said that according to the agreement, two vessels would be handed over to the Philippines within three months after Aug. 7, when the agreement starts to become operational, and the three others, within a year.

Paredes said the government would arm and use the four vessels to monitor the use of the sealanes by the foreign fishing vessels.

Moreover, the President directed Agriculture Secretary Senen Bacani to promote the recruitment of Filipinos from Batanes and Aparri by Taiwan for employment in its fishing operations.

Bacani was aso instructed to follow through on Taiwan's pledge to develop the port of Aparri. Taiwan has reportedly promised to construct ice-making and cold-storage facilities in the port.

Paredes said Mrs. Aquino had also directed Cluster E, the Cabinet committee on security, to determine and establish "the parameters that will guide our economic relations with Taiwan."

At the same time, Foreign Undersecretary Pablo Suarez said the Malacanang decision was a "happy compromise" that "satisfies everybody" because it is "acceptable to both sides," apparently referring to Taiwan and Beijing.

Suarez is the chairman of the four-man team that reviewed and studied the political and legal implications of the fishery agreement signed by the Philippines and Taiwan.

Japanese Foreign Minister Interviewed on Role

HK0608082491 Manila THE MANILA CHRONICLE in English 3-9 Aug 91 p 10

[Japanese Foreign Minister Taro Nakayama answers some written questions set by THE MANILA CHRONICLE during his visit to the Philippines]

[Text] **In light of Japan's new commitment to come to the economic aid of the emerging democracies of Eastern Europe, possibly including the Soviet Union itself, what will happen to the Philippines as a similar beneficiary?**

Believing in the virtues of democracy, Japan is delighted to see the movement for democratization in Eastern Europe, and we want to do what we can to encourage these sates in their reform efforts.

At the same time, Japan recognizes that the establishment of democracy and the economic reconstruction of the Philippines are important to peace and prosperity of entire Southeast Asia.

With this recognition, Japan has been in full support of the Philippines' new nation-building efforts. We are aware that facing natural disasters, the situation in the Middle East and other factors that have caused a major adverse effects on the country, the people of the Philippines have gathered together in the country's all out efforts to rebuild the economy.

I would like to reassure you that Japan's basic position to render maximum support to the nation-building efforts of the Philippines remains unchanged.

Does Japan foresee any improvement in the Philippines' favor in trade and other bilateral undertakings? If it does, in what specific areas?

Japan and the Philippines, I believe, share the view that the Philippines' economic development demands not only economic assistance but also expanded trade and investment. Therefore, I am pleased to note that thanks to determined governmental and private- sector efforts on both sides. The Japan-Philippine trade and Japanese investment in the Philippines have been expanding in recent years.

It is thus no accident that Japan has, along with the United States, been one of the Philippines' leading trade and investment partners in recent years. In particular, Japanese investment to the Philippines is up sharply from what it used to be and Philippine records for 1989 and 1990 show Japan as the country's leading investor.

In both trade and investment, the Philippines seems to have a comparative advantage in those areas where the abundant natural resources and hard-working and well-educated labor force are well utilized. There has, for example, been a rapid growth in electronics exports to Japan, as the figure for 1990 was up more than 40% from the previous year.

There is much to do, and I hope that the Philippines will continue its efforts to improve the trade and investment climate and hence to ensure that these favorable trends be further enhanced.

What is Japan's interest in the Philippines? In Asean? What kind of relationship does Japan want with them?

Sharing with Japan as they do the values of freedom, democracy, and market economy, the Asean countries have been at the forefront of East Asia's dynamic economic development. We consider that their economic and political stability is important to Japan as well. Thus we would like to maintain close liaison and dialogue with these countries on political and economic issues, cooperate with them toward the resolution of the Cambodian situation and other issues and further contribute through economic cooperation to their economic stabilization and development.

How does Japan view the negotiations for a new treaty to govern the American military presence in the Philippines? What preparations is Japan undertaking for the phase-out of this presence?

Confident that the American presence in the Philippines, like that in Japan and the Republic of Korea, contributes to the peace and stability in the entire region, we welcome the fact that the Philippines and the United States have been able to conclude the difficult negotiations. As for a Japanese role, Japan is committed to contributing to the peace and stability in Southeast Asia through continued political and economic cooperation.

More specifically, Japan hopes to contribute politically and diplomatically to the resolution of the situations destabilizing this region, including defusing the conflict on the Korean Peninsula and contributing to a comprehensive settlement in Cambodia. At the same time, Japan is also very interested in achieving true normalization of relations with the Soviet Union and in supporting the reform and openness policies in China. Economically, Japan intends to continue contributing to the region's development and resilience through among others, enhanced economic cooperation, expanded imports, and greater investment and technological transfer. I assure you we have no intention of playing any military role in this region.

What has Japan to say about the growing sense that it is prepared to take Asia in a new arrangement of spheres of influence in which the United States takes the Americas and the West European partners take Europe?

If Asia is to continue its dynamic economic development, it is essential that a major effort be made to maintain and strengthen the free and multilateral trading system through bringing the GATT Uruguay Round to a successful conclusion.

Give the great economic and social diversity that characterizes Asia, Japan wants to promote free and open modes of cooperation bringing out the region's dynamism and contributing to global peace and prosperity. It is, I believe, significant that the United States, Canada, and Australia have joined Japan and the Asean countries in such forums as the ministerial-level meeting on Asia Pacific Economic Cooperation (APEC) and the Pacific Economic Cooperation Commission (PECC).

Military Arrests South Korean Priest

HK0508122591 Manila PHILIPPINE DAILY INQUIRER in English 5 Aug 91 pp 1, 7

[By Carolyn Arguillas]

[Text] Davao City—The South Korean priest who surfaced last week after 107 days of unexplained disappearance has reportedly confirmed military suspicions he had all the while been with communist rebels in the mountains of Davao del Sur.

Fr [Father] Kim Chong-pil, 38, made this revelation during tactical interrogation inside the camp of the 46th Army Infantry Battalion in Santa Cruz, Davao del Sur, Maj Ernie Amboy, battalion commander, said Saturday night.

Kim mysteriously disappeared April 12 and was reunited with Digos Bishop Generoso Camina and his Benedictine superior, Fr Edgar Friedmann, at the camp.

Amboy said the Catholic priest, also known as Father Polycarp, was on his way to a rebel safehouse in front of the Benedictine Monastery's compound in Cogon, Digos, Davao del Sur, "when he was captured Saturday last week."

An officer of the military Intelligence Group told reporters Kim had "returned to the fold of law" and that it was up to higher military authorities in Manila if charges would be filed against him.

He said the priest's case was "sensitive" because it could create "political repercussions."

The intelligence officer fetched the priest from Amboy's camp Sunday night last week and brought him to Davao City. Last Monday, Kim was taken to Manila on board an Air Force plane.

Kim was reported to be in Sinuron, a rebel stronghold, at around 8 a.m. of July 27. He was later seen at a crossing boarding a jeepney bound for Digos.

At around 6 p.m. that same day, the priest was intercepted by soldiers led by Amboy some 500 meters from the Benedictine monastery.

Amboy said Kim was supposed to meet that night with a certain Martinez and one Rambo, alleged liaison officers of the communist rebels, at an underground house near the monastery.

"What he did not know was that the two were already captured by us," Amboy said.

Kim initially said during interrogation that he went to the mountains to live as a hermit. But "when we presented the two liaison men to him, he started crying and said his involvement started in Manila, through the Kilusang Mayo Uno [1 May Movement]," Amboy said.

The priest, he said, "returned to Kumander [Commander] Benzar the .45-caliber firearm he was carrying the day he left for Digos."

Amboy quoted Kim as saying he went to the mountains "to teach something."

"He told me he was expecting something different," the military commander said. The priest, Amboy said was "very frustrated when he saw young boys carrying firearms and when he saw a rebel decapitating a wounded rebel."

The National Democratic Front in Southern Mindanao denied having held Kim hostage or as recruit.

"I went to the mountains alone. I stayed there alone, left for the monastery alone. I was always alone... but with my Jesus," Kim had told the INQUIRER in a brief interview before he was whisked off to his temporary quarters at the camp in Santa Cruz.

"I was up there. It was very cold up there," he said as he pointed to the Balalan-Sinuron mountain range, which is visible from the camp.

Amboy said the priest could not have stayed alone in that "rebel- infested mountain."

"He did not join (the communist organization) here. He was already with the orgnaization even in Manila," Amboy said.

"I was not able to get from him what his actual mission was but in due time we will know," Amboy said. "One thing, though, the mission was good only for three months."

Authorities Uncover Davao del Norte Mass Grave

HK0608064991 Manila MANILA BULLETIN in English 6 Aug 91 p 8

[By Ped Velasco]

[Text] Tagum, Davao del Norte—Twelve skeletal human remains, believed to be victims of New People's Army (NPA) atrocities, were dug up recently from a mass grave by civilian and police authorities in barangay San Agustin, known as NPA "killing field" in Davao del Norte.

Superintendent Ricardo de Leon, Davao del Norte PNP [Philippine National Police] director, said the recovery of the remains was realized through "Operation Hukay Bangkay," [operation corpse digging] a drive launched by his command in coordination with Tagum officials led by Tagum Mayor Victorio Suaybaguio Jr.

De Leon said the mass graves were pinpointed through the help of surrenderees who guided the authorities to a forested area where the graves were found.

The 12 skeletal remains which were placed in cartons and sacks were taken to the San Agustin barangay chapel.

Army Agents Capture Two NPA Rebel Leaders

HK0508134891 Manila MANILA BULLETIN in English 5 Aug 91 p 5

[By Efren P. Molina]

[Text] Balanga, Bataan—Two suspected leaders of the communist New People's Army (NPA) were captured last week in Morong, Bataan, by police and Army agents under Capt Emmanuel Ojeda, commander of the 176th national police district.

Lt Col Enrique B. Galang Jr, national police director for Bataan and Task Force Natib commander, identified the NPA suspects as Rogelio Alita, alias "Ka [Comrade] Sammy," and Marijane Santos, alias "Ka Berna."

He said the two were on the way to Ka Berna's parents in barangay Poblacion, Morong, to inform them of their plan to get married when they were nabbed by police and Army operatives led by Staff Sgt Angelino G. Esteban.

Galang reported the "catch" to his superiors, Chief Superintendent Pantaleon Dumlao, national police commander for Central Luzon, and Col Rene S. Dado, commander of the Army's 702nd Infantry Brigade.

Investigation by the police disclosed that Alita and Santos left behind six companions in upper Marucduc, Nagbalayong in Morong.

Police said Alita and Santos planned to marry in a civil ceremony and settle down for good.

In another development, a team of Army soldiers, militiamen, and policemen of Task Force Natib "Oplan Sagasa" [Operation Runover] clashed with a band of heavily armed communist rebels in a 20-minute battle yesterday in barangay Timac, Abucay.

Galang said the NPA rebels withdrew under heavy gunfire from government forces and fled in various directions, leaving behind one dead identified as Romeo Cervantes, alias "Ka Daniel," of Morong.

Recovered from the scene of the encounter were an Armalite rifle with two long magazines and four short magazines, 50 rounds of ammunition, a hand grenade, four combat packs, assorted medicine, and clothes.

Earlier, a fishpond operator reported to Bataan Vice Gov Serafin Q. Roman the presence of communist rebels in upper Abucay. He said he received the tip from a man who lives in an upland barangay.

The informant estimated members of the NPA group at 80, all armed with Armalite rifles and short arms. He said the armed men are starving and looking for food in northern Bataan towns.

Offensive Against NPA in Mindoro Ordered

HK0508140191 Manila MANILA BULLETIN in English 5 Aug 91 p 21

[By O. Masaganda]

[Text] Calapan, Oriental Mindoro—Philippine National Police (PNP) Director General Cesar Nazareno has ordered an offensive against the New People's Army (NPA) in Mindoro.

Brig. Gen. Humberto Rodriguez, "Task Force Grossbow" commander, said he set up his headquarters of operation in San Jose, Mindoro Occidental, with two Mindoro PNP commands with 12 companies, including troops from Laguna, Rizal, Batangas, Cavite, and Romblon.

Region 4 PNP Chief Superintendent Evaristo G. Carino said that with the assignment of Rodriguez as task force commander, the NPAs in the two Mindoro provinces will be crushed in several months.

The PNP forces in Mindoro are backed by Huey helicopter gunships.

Recently, three big NPA camps with training facilities and a heli pad were overrun by PNP forces.

The Mindoro Oriental PNP command is led by Supt. [Superintendent] Jaime Lazar, while that in Mindoro Occidental is Supt. Jundam Abdulah Jr.

Intelligence reports said NPAs in Mindoro had shifted their operations to the Bicol region and Antique, while others moved to Metro Manila.

Carino said that in San Jose, Mindoro Occidental, and Bongabon, Mindoro Oriental, the NPAs used a helicopter to fetch their top leaders, including Romulo Kintanar.

Medanwhile, Gov. Benjamin Espiritu, Interior Undersecretary Rolleo Ignacio, and Bongabon Mayor Renato Reyes wil receive awards during Recognition Day on Aug. 8 at Camp Vicente Lim in Laguna.

Aug. 8 is the foundation day of the defunct PC-INP [Philippine Constabulary Integrated National Police]. A Catholic bishop who helped in the release of five PNP soldiers from NPAs in Mindoro will also receive an award.

Speaker Ramon Mitra Jr. will be the guest of honor and speaker during the rites on Aug. 8. Mitra and Carino will hand the awards.

Aquino Belittles Rebel Soldiers' Capability

HK0508133791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Aug 91

[By Dick Sinchongco of DZRH Unit 6]

[Text] President Corazon Aquino belittled the capability of the rebel soldiers in launching a new movement against the government. The president stressed that the military is in control of the situation. She issued this following the foiled escape by several top leaders of the Reform the Armed Forces Movement-Soldiers of the Filipino People from Camp Aguinaldo on Saturday [3 August]. In a statement read by Press Secretary Tomas Gomez III, the president said:

[Begin Gomez recording in English] The military has the situation in control. There is no possibility that the rebel forces from either the left or the right will succeed against the government. [end recording]

The president refused to comment about a possible link between the attempt to escape by the rebel soldiers and the return of the Marcos family to the country. The president believes that any plan by the rebel soldiers or the communist rebels against the government will not succeed.

It is recalled that rebel soldiers Edgardo Abenina, Alexander Noble, Billy Bibit, and Herbert Abinante tried to bolt out of their detention cell in Camp Aguinaldo. One of the soldiers managed to escape.

Thailand

Japanese To Present Environmental Policy

BK0608021991 Bangkok THE NATION in English 6 Aug 91 p B1

[Text] Japanese Minister of International Trade and Industry (MITI) Eiichi Nakao will announce Japan's environmental policy toward the fast-growing Asia Pacific region when he visits Bangkok next week, said an embassy official here.

Kauhito Sakurai, first secretary of the Japanese Embassy, told THE NATION that Nakao will visit Bangkok during Aug 15-18 as part of his official Asia-Pacific tour which takes him to Australia, Singapore before Thailand.

Nakao's trip to Thailand will be the first in four years by a MITI minister. The last was in 1987.

During his visit, the minister is scheduled to meet with Prime Minister Anan Panyarachun and Commerce Minister Amaret Sila-on on Aug 16 when key bilateral economic issues including Thailand's huge trade deficit with Japan, foreign investment and market access will be discussed.

The two ministers will also discuss the future of international and regional economic cooperation including the Uruguay Round of multilateral trade negotiations, the Asia Pacific Economic Cooperation (APEC), and the East Asian Economic Grouping, recently proposed by Malaysia.

The bilateral economic relations between the two countries have changed significantly since Japan adopted the Plaza Agreement in 1985, resulting in the devaluation of yen and the exodus of Japanese industries overseas. Thailand and other ASEAN nations benefited from the move, and enjoyed strong economic growth in succeeding years.

On the same day, Nakao will deliver the keynote speech on "Further Development of Asian Economy in the 21st Century: A Proposal for New Environmental Policy" at the Hilton International Hotel.

The fact that the minister decided to unveil Japan's new environmental policy toward the region in Bangkok signified the importance Tokyo has placed on Thailand as its close ally, the official said.

He said it was timely for Japan, as the region's economic leader, to assume the leadership in regards to the environment. It is expected that the minister will propose a new form of regional cooperation focusing on environmental rehabilitation and conservation of natural resources.

"It is now necessary for Thailand and the rest of Asia to attend to the environment and natural resources. Japan may be in a position to help transfer the needed technology to cope with these problems," he added.

Japan has been trying to assert its role in international environmental policymaking in the recent past. MITI is believed to be reviewing its environmental policy following a similar move by the powerful Japanese Federation of Economic Organizations (Keidanren) of the private sector.

Early this year, Keidanren issued an environmental policy statement which was already aopted by Japanese companies for implementation in their local and overseas operations.

Within MITI itself, an Office of Global Environmental Affairs has been in existence for nearly a year under the Department of Industrial Location and Anti-Pollution. Its major function is to provide technical assistance to friendly countries in handling their environmental porblems and pollution.

According to Thai sources, the focus of Nakao's speech was the Thai Government's effort to push Japan to play a greater role in the area to balance the United States, currently the world's most advanced nation in environmental technology.

The US plans to focus its aid programme in three areas, environment, human capital and technology development; financing would come into focus once it resumes development assistance to Thailand after an elected government is in place.

Washington suspended aid to Thailand immediately after the military coup on Feb 23 which ousted ex-Prime Minister Chatchai Chunhawan's government.

So far, two major environmental projects were approved for Japanese grant aid including the establishment of an environmental research and training centre in Bangkok, which will be opened in October or November this year. The other project earmarked for this year is the setting up of a tree nursery and distribution centre in the Northeast.

BCCI-Linked Company Receives Assistance

BK0608013591 Bangkok THE NATION in English 6 Aug 91 p A1

[Text] Bank of Thailand Governor Wichit Suphinit admitted for the first time yesterday that a government-controlled fund has been extending financial backing to BCC [Bank of Credit and Finance] Finance and Securities Co Ltd, a local finance firm linked to the scandal-ridden Bank for Credit and Commerce International (BCCI).

Wichit's admission contradicted his own comment last week that the Fund for Rehabilitation and Development of the Financial Institutions, set up by the central bank to bail out ailing finance firms at the height of the financial institutions crisis of 1983-1984, had not provided any loans to support BCC Finance and Securities, which has been facing liquidity problem because of heavy withdrawals.

BCC Finance and Securities is 10 percent owned by the Bank for Credit and Commerce International of Hong Kong, which was closed down early last month by Hong Kong authorities after disclosures of large-scale fraud at its parent bank, BCCI, in London. Another 25 percent is owned by a sheik in Abu Dhabi.

But Wichit said the support injected by the Fund into the finance firm cannot be considered a soft loan, since it comes with an interest rate of higher than 1 percent, and necessitates placement of collateral. He declined to say how much the Fund was lending to BCC Finance & Securities to keep the company afloat.

The Fund's support to the finance firm raises the question of the way it is handling the much-publicized affair, at a time when governments in more than 70 countries have frozen all the assets of BCCI. Central bank officials have insisted all along that the collapse of BCCI would not affect the finance firm, which does not deal with foreign exchange and 65 percent of whose shares are owned by Thais.

A source said the central bank has appraised the value of the licence of BCC Finance and Securities at Bt [baht] 300 million, while several groups of investors attempting to acquire the firm put its value at Bt50 million.

Companies Enter Fishing Ventures With Burma

BK0608011791 Bangkok BANGKOK POST in English 06 Aug 91 p 15

[Text] A group of Thai investors has agreed to enter joint ventures with the Burmese Government in fishery-related businesses following a recent tour to the neighbouring country.

Deputy Agriculture Minister At Taolanon, who led a team of private investors in talks with the Burmese Government from August 1-3, said Thailand had signed a Letter of Intent with the Burmese Government to jointly invest in setting up a fish-meal factory, a canned tuna factory, ice production and cold storages.

The Thai side comprised Thai-Myanmar Fishery Co, Thai Overseas Fishery Association and some canned tuna manufacturers and cold storage operators.

Dr At said the Burmese Government was very satisfied with the agreement because the joint investment projects would help create jobs in Burma and develop its fishery industries.

He said he had also made a preliminary agreement with Burmese Fishery and Agriculture Minister Lt-Gen Chit Swe for a future joint fishery.

Under the preliminary agreement, Thai fishery firms would pay concession fees to the Burmese Government for the permission to fish in Burmese water territory, "ending dispute between the two countries," he said.

Interior Minister Remarks on Lao Border Talks

BK0308015791 Bangkok THE NATION in English 3 Aug 91 p A4

[Text] Interior Minister Gen Itsaraphong Nunphackdi said yesterday that Thailand was no longer keen to negotiate with Laos a protracted boundary dispute, but would work, for now, on problems with more chance of success.

"I will not talk (with Laos) about the boundary issue because it's a sticky one, but I'm willing to discuss problems that can be settled," Itsaraphong told reporters after his meeting with governors from ten provinces bordering Laos.

His statement signalled Thailand's frustration with the unsettled boundary dispute near Ban Romklao in Phitsanulok's Chattakan district opposite Sayaboury's Baan Boten in Laos. Thai-Lao officials just concluded their latest round of talks on Ban Romklao last week but no major breakthroughs were made on the nearly four-year-old conflict.

Military sources said Laos was still cool to the Thai proposal to set aside the dispute over Ban Romklao and other sensitive areas and turn to negotiations on other border areas that can be settled easier. National Peace Keeping Council Deputy Chairman Gen Suchinda Kraprayun, Itsaraphong, and Foreign Minister Asa Sarasin have repeated the proposal during their separate visits to Vientiane.

Ambiguous terms and references in the 1907 Siam-Franco treaty, which Thailand and Laos take as a legal basis to their boundary claims in the area, have impeded the process of demarcation.

The sources said the Thai side hoped to extend the mandate of the Thai-Lao Joint Boundary Committee to negotiate the whole boundary frontier, not just Ban Romklao.

Itsaraphong said yesterday's meeting was a follow-up to the informal meeting between the Thai governors and Laos' provincial chiefs held in mid-July.

At the mid-July meeting, both sides agreed to settle local problems at the local level and to enhance cooperation on information exchange.

Cross-border smuggling of motorcycles and cattle and cases of robbery have decreased markedly since both local authorities enhanced cooperation by strictly enforcing their laws and exchanging information last year.

Itsaraphong said he discussed with the governors the problems of coordination between the local authorities of the two countries where different governing systems sometimes delayed the implementation of policy.

Itsaraphong said Thailand had a decentralized system, where governors have the final say on certain issues, while Laos' centralized system requires provincial chiefs to wait for the green light from the federal government.

The minister said the meeting concluded that bilateral ties between the two countries have been improving and that the promotion of relations needed both economic and socio-psychological impetus.

Minister Welcomes Repatriation

BK0408092891 Bangkok Radio Thailand Network in English 0000 GMT 4 Aug 91

[Text] Interior Minister Itsaraphong Nunphakdi said that the agreement on the repatriation of Laotian displaced persons in Thailand has greatly contributed to the improvement of Thai-Lao relations. The minister made the statement on 2 August after a meeting of all officials concerned to discuss latest developments of the Thai-Lao relations. The meeting was attended by the governors of ten border provinces, the commanding generals of the 2d and 3d Army Regions, and representatives from other related government agencies. Minister Itsaraphong said that the repatriation of the Laotians agreed upon by Thailand, Laos and the United Nations High Commissioner for Refugees, will be completed within the next three years. The agreement has led to the settlement of other problems, such as border demarcation and suspicion between the two countries. He said the improved relations have also facilitated travels to both countries. However, he said that the administration systems of the two nations are different in which Thailand's administration focusses on decentralization, while that of Laos remains centralized. Thailand therefore must take into consideration the issue in making contacts with the Laotian side. The minister said he would submit results of the meeting to the Ministry of Foreign Affairs and may visit Laos again for closer ties.

Controversial Article Dropped From Draft Charter

BK0608010591 Bangkok BANGKOK POST in English 6 Aug 91 p 1

[Text] The Constitution Drafting Committee yesterday dropped the controversial Article 27 from the draft charter in response to the strong opposition from the public to the retention of the article's summary powers.

Committee spokesman Adun Wichiancharoen said the committee was unanimous in deciding to remove the clause in the face of the strong negative reaction from the public over the issue.

Mr Adun said the retention of the summary powers accorded to the head of the National Peace Keeping Council [NPKC] and the Prime Minister may not be necessary as the government could resort to existing laws to handle any security threat.

Article 27 of the interim Constitution gives the NPKC and Prime Minister summary power to take whatever action is deemed necessary to safeguard national security, the economy and the state administration.

The committee originally concluded that the government needed the article to deal with any threats to national security and public order.

The NPKC already has the power at its disposal but has never used it and it is thought highly unlikely that any incident would occur between the passage of the new constitution and the opening of Parliament that would call for the article's use, he said.

Although Article 27 has been dropped, seven other articles in the constitution which deal mainly with the power of the NPKC—7 and 18 to 23—remain in the committee's draft as it finalises its review. These articles will remain in effect until Parliament convenes its first meeting.

The committee also agreed that one-third of either the Senate or House of Representatives was sufficient for a motion to amend the constitution.

The original proposal called for the support of one-third of both houses to second the motion and a two-third parliamentary majority or 420 of the 630 senators and MPs to make an amendment.

Critics said such a large majority would make it even more difficult to amend the constitution.

Dr Adun said the committee decided to stand by its original requirement for a two-thirds majority to make any constitutional amendments, but only after extensive debate and the calling of votes.

The revised draft allows Cabinet ministers who are also MPs to exercise their voting rights in Parliament in amending the constitution and Royal Family laws, he said.

The committee earlier proposed that MPs' parliamentary duties and voting rights be suspended automatically when they accepted a ministerial post.

The draft constitution states that the Cabinet, the Senate or the Lower House can initiate an interpretation of the constitution with the Prime Minister or speaker of either house making a request to a Constitutional Judge.

Dr Adun said the committee's willingness to listen to well-founded arguments from the public and alter the draft charter accordingly illustrated its open-mindedness.

He said the committee was not dictated to by the NPKC or the government and its responsiveness to criticisms was a clear indictation of its independence.

The committee will hold its final meeting on Thursday when it will make a final review of the draft and write the constitution's introductory royal remarks before handing it on to the National Legislative Assembly [NLA] by August 15.

Dr Adun said the committee's responsibility would end when it handed the draft constitution to the NLA.

The draft could then be subject to change by the NLA, he said.

Dr Adun said he did not think there was a "blueprint" for the constitution to direct the NLA's consideration of the draft even though it was natural for some people to want the constitution to turn out as they like.

He said he was confident the committee's draft would not undergo a complete change by the NLA.

If someone had tried to dictate the drafting of the constitution, the committee would have been given directions right from the start. But, as it was, it had not received any guidelines from the government or the NPKC, he said.

He said there were about 245 articles in the draft constitution.

Deputy committee spokesman Likhit Thirawekhin said the revised draft gave the newly-created position of Parliamentary Ombudsman the authority to investigate complaints from those affected about any wrongdoings or violations of the law by government officials, local government officials and employees of state firms.

Suchinda: Chatchai 'Too Old' for Politics

BK0608014791 Bangkok THE NATION in English 6 Aug 91 p A1

[Text] Ex-premier Gen Chatchai Chunhawan has reassured Army Commander-in-Chief Gen Suchinda Khraprayun that he will not resume his political career, saying he was too old for politics, the army chief said yesterday.

Suchinda also denied that Chatchai and the National Peace Keeping Council (NPKC) had entered any secret deal allowing the former premier to be cleared of charges of accumulating wealth illegally by the Assets Investigation Committee if he stayed out of the next election.

Suchinda did not say when he had met Chatchai, who returned on Saturday from London to testify before the committee.

Speaking with reporters at the Chunlachomklao Military Academy's campus at Khao Cha-ngoke, Nakhon Nayok Province, Suchinda said Chatchai could resume his political career if it did not go against the law.

The new constitution to be promulgated by the National Legislative Assembly may prohibit politicians found guilty of illegally acquiring wealth from running in the next election.

Suchinda stressed that Chatchai could stay in Thailand as long as he wanted but said he understood that the former premier would fly back to London after having testified.

"I am not suggesting that we don't want him to stay on. But he probably may feel uneasy if he stays after testifying," he said.

Chatchai, speaking with reporters yesterday after being granted an audience with HRH the Princess Mother, said he would return to London as soon as he had given his testimony.

Suchinda noted that Chatchai had issued an arrival statement to emphasize that the only purpose of his return was to clear his name and that of his family, and not to stir up the political situation against the government or the NPKC.

"I think he meant what he said. He doesn't want his presence here to be exploited to serve anybody's political motives. He loves the country and the Army," Suchinda said.

"You know, anybody who becomes prime minister must sacrifice himself. Gen Chatchai was no exception and he made many sacrifices, because being prime minister went against his easygoing, fun-loving nature," he added.

Suchinda also declared that the NPKC was ready to crush any attempts to create unrest if they arose.

"We will stop it even if we have to apply violence," he said.

The army chief was referring to the growing campaign by labour leaders to pressure the government and NPKC to locate missing labour leader Thanon Po-an.

Suchinda said that national unity was crucial for the country's future economic development.

"If we are busy with internal political squabbles, other countries will leave us behind. Vietnam, after the political settlement (in Cambodia), has the potential to become our major competitor in rice exports and other fields because their people are disciplined and hard working," he said.

Suchinda, who has been promoted to supreme commander concurrently with his army post, said his promotion was probably made because his "subordinates" wanted him to work hard.

Ministry Wants New Law To Control 'Godfathers'

BK0308013791 Bangkok BANGKOK POST in English 3 Aug 91 p 1

[Text] The Ministry of Interior is considering drafting a bill to empower police to seek court permission to hold in custody without charge people branded as "godfathers", Police [Pol] Director-General Sawat Amonwiwat said yesterday.

He said the measure was designed to ensure public safety against threats posed by social elements described as "dark influences."

"They (godfathers) can be held in detention even though there is no evidence to substantiate criminal charges against them," he said.

The police chief pointed out that Malaysia had successfully dealt with the problem of godfathers through the promulgation of an emergency law which empowered authorities to detain people regarded as godfathers on an island for up to three years.

A total of 174 people in 27 provinces have been backlisted by police as godfathers.

Pol Gen Sawat said the problem of godfathers was debated extensively yesterday during a meeting of the Crime Prevention and Suppression Committee which was chaired by Interior Minister Gen Itsaraphong Nunphakdi.

He pointed out that the proposed law to deal with godfathers would be different from the controversial former Hooliganism Act.

The Hooliganism Act empowered authorities to detain without trial people regarded as "hooligans" while the law under consideration gives the power to the courts to make the decision and the accused is entitled to defend himself in court, he said.

The Hooliganism Act, introduced by Field Marshal Sarit Thanarat's military dictatorship and later revoked, was extensively abused as a tool to silence and intimidate the late field marshal's political opponents and dissidents.

A similar law which empowered authorities to detain for an indefinite period without trial persons deemed endangering the society was enforced by the military dictatorship that followed the October 6 coup in 1976.

That law was also revoked four years later.

Deputy Interior Permanent Secretary Chamnan Potchana, who attended the meeting yesterday, suggested measures of public safety which were one drawn up by the Public Prosecution Department might be revived to deal with the problem of godfathers instead of drafting a new law.

He said authorities could not be accused of violating human rights if the safety measures specified in the Criminal Code are used against godfathers.

The safety measures stipulated in the Criminal Code include detention, prohibition to enter a specified area, placement of a bond with security, detention in a hospital or prohibition to undertake certain kinds of occupation.

Former Justice Minister and a celebrated lawyer Marut Bunnak last night branded the Interior Ministry's proposed law as a violation against the rule of law.

"To arrest a person, there must be a charge against him and he must be informed of the charge against him," he said, adding that several hooliganism cases under the previous acts were ultimately dismissed by the courts.

He contended that the existing Criminal Procedure Code, which empowers police to detain a suspect for up to 90 days, should be adequate to deal with godfathers.

Both the Hooliganism Law and the Social Menace Law which are against the rule of law have been revoked, he said.

Lawyers Council acting President Sak Kosaengruang said the proposed law poses a serious threat to freedom and liberty.

Such a law would give too much power to justice officials, he said.

Suchinda Supports Proposal

BK0408022291 Bangkok BANGKOK POST in English 4 Aug 91 p 1

[Text] Army Commander-in-Chief Gen Suchinda Khraprayun supports an Interior Ministry proposal to draft a bill to deal exclusively with people branded as "godfathers."

He said yesterday that from the very start godfathers have been partly to blame for political disturbances, especialy those who sought political influence.

"It is our conviction that if we allow this (godfathers seeking political power) to go unchecked, undesirable things will happen to this country. To put it this way, if casino operators or contraband smugglers are made ministers, how can the government be good?" he asked.

The National Peace Keeping Council [NPKC] supports the Interior Ministry's proposed bill to deal with godfathers but, in the meantime, wants to ensure that "everything is done according to the law."

The ministry is pondering a law to empower police to seek court permission to hold in custody, without criminal charges, people branded as godfathers.

But Gen Suchinda said caution must be exercised with such a law to ensure it is enforced effectively and against the right targets.

Interior Minister Gen Itsaraphong Nunphakdi said he personally wants the law promulgated quickly. He said a sub-committee comprising law enforcers and non-governmental organisations has been assigned to draft the law and submit it to the ministry within 10 days.

Since the law will carry severe penalties, it must be written so there is no ambiguity and it can be enforced in earnest, he said, adding most people share the view of the ministry and the NPKC that godfathers must be dealt with decisively.

Editorial Urges Action

BK0608020191 Bangkok THE NATION in English 6 Aug 91 p A12

[Editorial: "Stamp Out Jao Pho, Don't Idolize Them"]

[Text] What is a jao pho? M.R. Khukrit Pramot says all the powerful figures he knows who have been accused of being jao pho are "good men" who want to help others. One of them, known along the eastern coastline as Kamnan Poh, is said to be the "godfather" of Chon Buri and used to be a supporter of Social Action Party [SAP]. But since M.R. Khukrit is no longer the SAP leader, Kamnan Poh is casting his cool, calculating eye over other parties eager to have him join their fold.

In Kamnan Poh's own humble estimation, he believes he has enough influence and wealth to help a party of his choice carry the entire province of Chon Buri, which in the last general election sent six MPs [members of parliament] to the House, four of them from SAP by courtesy of Kamnan Poh. Now both the New Aspiration Party [NAP] of ex-army chief Gen Chawalit Yongchaiyut and the Justice Unity Party of Narong Wongwan are actively wooing him, apparently because they believe Kamnan Poh can deliver the key province.

Soon after the Feb 23 coup, the leaders of the National Peace Keeping Council [NPKC] summoned Kamnan Poh and six other alleged top jao pho for a secret pep talk during which the seven were reportedly told to stop their illegal activities and work harder to persuade their men to do likewise, or else ... Whatever the NPKC leaders' parting warning was, it seemed to work, at least to a certain extent.

Klaew Thanikun, one of the big seven, immediately obliged by reducing the number of his armed bodyguards.

That was a miscalculation. A team of assassins, armed with assault rifles, caught him off guard on a suburban highway in early May and riddled him and his driver with bullets. So far no suspects have been arrested.

Klaew's wife and girlfriends subsequently revealed some secrets about Klaew that merely confirmed earlier press reports about him. Klaew had been living dangerously trying to defend his "turf" in Bangkok. He had friends in high places and had enemies as well as admirers everywhere. Many of his men operated or served as protectors of high-stakes illegal gambling dens in the capital and had to share their incomes with sleeping partners in the Police Department.

Unsavoury Ties

Few senior police officers would deny accepting cuts from jao pho's illegal operations. The new commander of the Crime Supression Division, Pol Maj Gen Rangsit Yanothai, has made it his top priority to sever the unsavoury ties between his officers and jao pho, some of whom are suspected to be responsible for smuggling large shipments of narcotics overseas.

The Police Department, with the assistance of the Local Administration Department, has compiled a list of about 170 alleged jao pho (and some jao mae, or female crime bosses) in 27 provinces, including Bangkok. The list has been submitted to Interior Minister Gen Itsaraphong Nunphakdi, who is chairman of an anti-crime committee. A meeting of the committee last week agreed that a special law may be necessary to crack down on jao pho, who generally know how to shield themselves from the hand of the law.

Some of the committee members suggested banishing the bosses to remote islands instead of jailing them after trial and conviction. Because of their wealth and connections, a jao pho may feel quite at home in prison and continue to lead his underworld organization from behind bars.

However, resorting to a special law to deal with jao pho would be tantamount to admitting the failure of the existing law enforcement and criminal justice system. In any case, in an age of cellular phone and satellite communications, banishment can hardly be effective in isolating an undesirable figure.

Instead of a special law, why not try enforcing all the existing laws and doing everything within the limits of the law to put pressure on jao pho? For starters, authorities who are taking jao pho's money and enjoying the fringe benefits of such connections should face severe sanctions after investigation by independent bodies. The supposedly legitimate businesses of jao pho can be placed under the closer watch of tax collectors.

Political Protection

Many jao pho supported political parties and bankrolled the election of MPs, who returned the favour with political protection and patronage. The symbiotic relationship is difficult to sever as long as vote-buying and election fraud are widespread.

So What Is a Jao Pho?

A jao pho is a shrewd manipulator who makes money from activities that feed off others' pain, such as gambling, prostitution and narcotics trafficking, and shares the spoils with the authorities and politicians. As such, jao pho should not be accorded respect as "good men" or referred to euphemistically as "influential figures."

It is time they were exposed and punished. The longer a jao pho stays above the law, the more "respectable" he will look even though his illegal operations are destroying the moral fabric of this country.

Army Captain, Teacher Arrested With Weapons

BK0408030291 Bangkok BANGKOK POST in English 4 Aug 91 p 3

[Text] An Army captain and a teacher from Lop Buri were arrested with 20 M-16 rifles and other war weapons in Khun Yuam District yesterday.

Border Patrol Police Arrested Capt Charoen Wongsa of the Special Warfare Centre and Siripan Siripon, a woman teacher at Ban Yangrat school.

The suspects were in a pickup truck allegedly loaded with 20 M-16s, one AK-47 rifle, one M-60 machine gun and ammunition travelling on a road towards the Burmese border.

Police said they suspected the pair intended to sell the war weapons to Karen rebels in Burma.

Vietnam

Economic Aspects of U.S.-Soviet Summit Viewed

BK0608045591 Hanoi Voice of Vietnam in English 1000 GMT 5 Aug 91

[Station Commentary]

[Text] The Soviet-American summit in Moscow was a great event, capturing the world's attention. Besides the signing of the Strategic Arms Reduction Treaty, the two sides discussed bilateral relations, especially their economic relations.

At their recent summit in Moscow, Soviet President Mikhail Gorbachev and U.S. President George Bush signed a historic treaty on reducing strategic offensive weapons of the two countries by a third. Also at this summit the two presidents signed five documents on scientific, technical, and economic cooperation: Namely, a memorandum on disaster assistance, a protocol on technical-economic cooperation, a memorandum on cooperation in civil aviation security, an agreement on emergency medical supplies, and a memorandum on housing and economic development.

At the summit U.S. President George Bush said he would grant most favored nation status to the Soviet Union and promised to lift restrictions on the lending of capital to the Soviet Union.

The Soviet Union's economy is in a serious crisis. The U.S. assistance may promote economic reforms in the Soviet Union and this shows that Soviet-U.S. relations have been gradually improved. However, the most favored nation status promised by the U.S. side to the Soviet Union is only one of politically symbolic significance. According to observers' assessment, the Soviet Union is not facing any tariff difficulties but the volume of export goods to the United States. According to Mr Jeffrey Scott, an expert of the U.S. International Economic Institute, in 1990 the Soviet Union exported to the U.S. more than $1 billion, while it imported from the U.S. more than $3 billion, which is equivalent to 0.5 percent of the U.S. total imports.

It is notable that while promising to grant most favored nation status to the Soviet Union, the United States still emphasizes that the Soviet Union cannot expect much aid from the U.S. and the West if she does not fulfill all the U.S. conditions. These conditions are: The Soviet Union has to promote its political-economic reforms, reduce its assistance to Cuba, and return the four disputed islands to Japan. This reminds the people about the incident in Eastern Europe a year ago. At that time U.S. President Bush visited Poland, Hungary and other East European countries. He told leaders of these countries that the U.S. and the West would give aid if they stepped up the democratic reforms. So far these countries have received aid little by little. No wonder the president of the Polish Solidarity Trade Union, after being elected president of Poland, said: "Don't believe what the U.S. and the West say, but see what they do."

Public opinion in the Soviet Union and the world hope that the Moscow summit between Soviet President Gorbachev and U.S. President Bush will be an initial basis leading to more substantive matters.

Do Muoi Receives Harvard Economic Professors

BK0508162191 Hanoi VNA in English 1510 GMT 5 Aug 91

[Text] Hanoi VNA August 5—General Seceretary of the Communist Party Central Committee and chairman of the Council of Ministers Do Muoi received at the Presidential Palace here today Prof. Dr. Peter Timer and Dr. David Dapice of Havard University, who are here for a seminar on Vietnam's present economic policy.

Speaking at the reception, the two American professors thanked the Vietnamese Government for creating favourable conditions for them in their survey of Vietnam's economic situation, and for developing the cooperation between Vietnamese and American scientists.

Chairman Do Muoi welcomed the American professors' recommendations on Vietnam's economic policies. He expressed his wishes for further development of the effective cooperation between American and Vietnamese scientists in the interests of the two peoples, thus helping push up the normalization of the relations between the two countries.

Briefing his guests about the outcomes of the present renovation process in Vietnam, Chairman Do Muoi stressed, although numerous difficulties chiefly in the economic field still lie ahead, Vietnam will stand firm and develop, first of all with its own strenth and intelligence and with assistance from friends abroad including American scientists and people as a whole.

Further on PRC Deputy Foreign Ministers' Talks

BK0508153291 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Aug 91

[Text] On 5 August in Beijing, a spokesman for the PRC Foreign Ministry announced that the Sino and Vietnamese sides had appointed PRC Deputy Foreign Minister Xu Dunxin and Vietnamese Deputy Foreign Minister Nguyen Dy Nien to hold political talks in Beijing from 8-10 August to discuss the relations between the two countries and other issues of common concern.

Economic Performance in First Half of 1991

BK0508153991 Hanoi VNA in English 1411 GMT 5 Jul 91

[Text] Hanoi VNA August 5—Vo Van Kiet, vice chairman of the Council of Ministers, head of the State Planning Commission, today delivered a report on the socioeconomic situation in the first half of 1991 and on major tasks of the second half-year at the plenary session of the National Assembly.

The report says:

1991 is the first year in which concessionary loans we used to reserve from the Soviet Union in the spirit of assistance for the payment of goods and materials to balance our trade deficit have ceased to come by, and goods exchange is to be done according to the market mechanism on the principle of export-import balance and purchases and sales are effected at international prices with convertible currencies.

Efforts have been made to reduce the negative influence of the above-said changes in our international economic relations and to maintain normal economic activities and stable social life. In effect, in the first six months we have had to procure for ourselves materials, equipment and capital from many sources and markets to ensure the needs of economic development however, many difficulties remain and this situation will continue for a long time to come.

Then, there has also been an unexpected difficulty, that is an abnormal weather which caused heavy damage to agriculture in the last winter-spring rice crop in many localities in the north, thus directly affecting the peasants' life and greatly affecting the food situation throuhout the country, causing a sharp fall of rice export and the foreign exchange reserve for the import of materials and goods.

On the economic situation in the first six months, the report says:

In the south, rice output increased 270,000 tons compared with the 1990 winter-spring crop while in the north it dropped by more than one million tons.

Sea products continued its steady rise. Fish catch increased by 3 percent, the shrimp-rearing acreage by 21.4 percent compared with the first six months of last year.

Industrial production increased by only 2 percent compared with the first six months of 1990, but some main products increased substantially: Crude oil by 26 percent, phosphate fertilizers by 35 percent, nitrogenous fertilizer by three times, electric motors by 23.4 percent, paper by 51 percent, processed meat by 50 percent, cement by 13 per cent and electricity by 4.4 percent.

Production of local industries and handicrafts fell 3 percent and non-state industries fell 4.3 percent compared with the corresponding period of last year.

On external economic relations, export and import value was lower than planned and also in comparision with the same period last year mainly beacause the reduction of the trade exchanges with the Soviet Union and Eastern Europe which fell to only 15 percent of the level of the first six months of 1990.

Export News Reported

BK0508142391 Hanoi VNA in English 1423 GMT 5 Aug 91

[Text] Hanoi VNA August 5—In the first six months of 1991, the Export Chopsticks Enterprise (VINAPRIMAT) in the southern province of Song Be exported 1,044 boxes of chopsticks, 12,724 bags of chopstick pairs and 36.2 tons of skewer valued at $127,522 US dollars [USD].

The enterprise with investments from Prime Mate Ltd. of Hong Kong has an authorized capital of $500,000 US dollars.

The Vietnam National Coal Export-Import and Materials Supply Corporation (COALIMEX) in the first semester of this year exported more than 500,000 tons of coal valued at USD $20 million, up by 75 percent over the corresponding period of last year.

Vietnam's coal is exported to 12 foreign markets, mainly West Europe, Japan and South Korea. In 1991, COALIMEX plans to export more than one million tons of coal.

The marine products processing enterprise under the Marine Products Export-Import Company in the southern province of An Giang has so far this year exported 14,000 bottles of fish sauce. In addition it has turned out about 700,000 litres of high-quality sauce valued at almost 400 million Vietnam dong for local use.

The Tan Binh Export Gloves Factory in Ho Chi Minh City has up to August delivered 1,045,200 pairs of gloves to South Korea, earning USD $100,000.

The factory has cooperated with South Korea in producing export gloves over the past two years.

In addition to 144 weaving machines and other equipment installed by the South Korean partner, the factory recently imported two dyeing machines to produce export gloves.

National Assembly on Socioeconomic Situation

BK0508163591 Hanoi VNA in English 1506 GMT 5 Aug 91

[Text] Hanoi VNA August 5—The National Assembly in a plenary session here today heard a report delivered by Vo Van Kiet, first vice chairman of the Council of Ministers, on the socioeconomic situation in the first half of this year, and the socioeconomic urgent problems in the last six months of this year.

Tran Dinh Hoan minister of labour, war invalids and social affairs, presented a report of the Council of Ministers on the orientation and principles of the revision of the wage system.

Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister, delivered a report of the Council of Ministers on the state's foreign policy in the first six months of this year, and the orientation of its foreign affairs in the immediate future.

The National Assembly also had reports about a plan to redelineate the administrative borderlines of the provinces and cities, and the judicial work in the first six months of this year.

1 Aug National Assembly Discussions Reported

BK0408160391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Aug 91

[Report by station correspondent on discussions of ninth session of eighth National Assembly at Ba Dinh Conference Hall in Hanoi on afternoon of 1 August—partially recorded]

[Summary] "At yesterday afternoon's session, the National Assembly deputies focused their discussions on the organization and operations of the National Assembly, the election of the head of state, the organization of the government, and the system of people's councils and administrative committees at all levels. All these issues involve the organization of central and local mechanisms."

The National Assembly deputies contributed 14 opinions to the various issues raised in the draft amendments to the Constitution. Under this draft there are two different procedures for the National Assembly to elect the head of state.

"Under the first plan the head of state will be elected by the National Assembly, whereas under the second plan the National Assembly will elect the chairman of the Presidium of the National Assembly, who will also assume the post of head of state."

After serious discussions the deputies from Hanoi City and Dong Nai, Lang Son, Quang Binh, Binh Dinh, and Cuu Long Provinces expressed complete unanimity with the first plan, stressing that this plan would certainly help further heighten the sense of responsibility of the head of state and National Assembly deputies before the nation.

"On the contrary, the deputies from Quang Nam-Danang, Lam Dong, and other provinces preferred the second plan. This means that the chairman of the Presidium of the National Assembly will be elected by the National Assembly and assume the post of head of state. In the opinion of some deputies, this plan would guarantee the sense of individual responsibility of the head of state and the wisdom of the National Assembly in electing the head of state before the latter can discharge his duty. This is a very appropriate move, considering the current complicated socioeconomic and political situations at home and abroad."

Regarding the details of the organization of the National Assembly, many deputies unanimously agreed with those draft amendments to the Constitution that recommend that the National Assembly committees shift to specialized activities. With regard to the organization of the government, many deputies agreed with the need to transform people's committees into administrative committees at all levels.

Nonetheless, the deputies expressed different opinions about the appointment of provincial people's committee chairmen by the prime minister and the appointment of lower-level people's committee chairmen by provincial people's committee chairmen.

According to the first group of opinions, the appointment of people's committee chairmen at all levels should be made from higher to lower levels, whereas the second group suggested two options as follows:

—The central government will appoint provincial people's committee chairmen, and higher-level people's councils will recommend candidates to district- and village-level people's committee chairmen for appointment by higher-level people's committee chairmen.

—Lower-level people's councils will recommend candidates to district and village-level people's committee chairmen for appointment by higher-level people's committee chairmen.

The deputies all agreed with the need for chairmen of administrative organs at all levels to undergo training to acquire adequate administrative management skills.

Many deputies stressed the need to attach more importance to the training of cadres in charge of villages and grass-roots units because they are directly responsible for the implementation of party and state policies and lines.

Some deputies also called for greater efforts on the part of the National Assembly and administrative organs at all levels to sum up and evaluate the activities of people's councils at all levels and grass-roots administrative organs in order to reach necessary conclusions.

2 Aug Session Reported

BK0508145191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Aug 91

[Report by station correspondent Ngoc Ky on 2 August plenary session of eighth National Assembly at Ba Dinh Conference Hall in Hanoi on 2 August—partially recorded]

[Summary] "This morning, 2 August, the National Assembly held a plenary session at the Ba Dinh Conference Hall to discuss the draft law on forest protection and development. Prior to their discussions, the deputies heard Comrade Phan Xuan Dot, minister of forestry, make some clarifications about a number of issues relating to the draft law on forest protection and development. Next, under the direction of National Assembly Vice Chairman Phung Van Tuu, the deputies focussed their discussions on the issues relating to the name of the law, forest product ownership right, and the length of allocation time for forest and forest land use."

The deputies contributed 16 opinions, stressing the need to promulgate the law on forest protection and development at an early date so as to cope with the serious consequences arising from the ongoing indiscriminate forest exploitation.

There were two groups of opinions about the name of the law. The first group agreed with the term recommended by the Council of Ministers as the law on forest protection and development.

The second group of opinions suggested that the law be broadly called the law on forests to cover all the four objectives set in the draft amendments—namely control, protection, development, and use of forest land and forest products.

After many exchanges of views, the majority of deputies agreed with the term law on forest protection and development.

One of the issues under heated debates was the forest product ownership right. Regarding this issue, a number of deputies agreed with a provision in the draft amendments saying that natural forests and other forests developed with state-funded capital will belong to the state whereas forests developed in state-allotted land but from other sources of capital will belong to collective or individual investors whose legitimate rights will be protected by the state.

Other deputies recommended that the forest ownership right should belong only to investors.

Another issue under heated debates was the length of forest and forest land allocation time. Some deputies opted for a general principle based on a long-term allocation time as specified in a provision of the draft law on forest protection and development. Others preferred specific allocation time so that investors can afford a sense of security while engaging in afforestation.

This afternoon, the National Assembly deputies continued their discussions on the draft law on forest protection and development and the draft law on protection, care for, and education of children. Altogether, the deputies contributed 11 opinions to the draft law on forest protection and development and 12 opinions to the draft law on protection, care for, and education of children.

Red Cross Sends Aid to Flood Victims in Son La

BK0408061691 Hanoi VNA in English 0609 GMT 4 Aug 91

[Text] Hanoi VNA August 4—The Vietnam Red Cross has sent rice, blankets and mosquito nets worth 138 million Vietnam dong as relief aid to victims of the flood which struck the northern province of Son La on July 27.

The relief, with the consent of the League of Red Cross and Red Crescent societies, was deducted from the aid fund given to Vietnam by the Red Cross of the USA.

It will be transported to Son La town and Mai Son District which were worst hit by the flood, by the Vietnam People's Army under a cooperation programme signed between the latter and the Vietnam Red Cross.

NHAN DAN Discusses Efforts To Aid Invalids

BK0408143291 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Jul 91

[NHAN DAN 27 July Editorial: "The State and the People Jointly Care for and Stabilize the Livelihood of War Invalids and Families of Fallen Combatants"]

[Text] Disabled and ailing soldiers and dependents of fallen combatants, or dependents of those rendering meritorious services to the revolution are considered to be people who have contributed voluminously to, and suffered great losses and sacrifices for, the struggle to achieve national independence and unification.

It is the responsibility of our entire party, people, and Army to remain always grateful to and wholeheartedly care for these people. It is also the objective of our entire society in the immediate future to ensure that they are materially secure and spiritually happy.

Our party and state have had a system of policies and procedures concerning subvention, care, and preference for families of war invalids and fallen combatants.

However, for a country that has gone through half a century of war, the number of people entitled to these policies is very large. It is impossible to ensure a normal life for everyone although efforts have been made to implement state policies.

For this reason, the all-people movement to care for war invalids and families of fallen combatants has had a very great effect. The movement to build houses, raise money, and muster social welfare funds for families of war invalids and fallen combatants is a creative, practical, and effective form of expressing gratitude to and helping them overcome difficulties in their daily lives. However, their efforts to overcome difficulties by themselves can never be entirely superseded by the public assitance given them. At present, some 60 percent of those entitled to social welfare policies and as many as 80 percent of war invalids and dependents of fallen combatants are capable of undertaking different jobs.

Therefore, to firmly stabilize the livelihood of these people, in the movement to care for disabled or ailing soldiers and families of fallen combatants in the years ahead, efforts should be concentrated on creating favorable conditions for the majority of them to undertake jobs suitable to their health and ability. This is aimed at enabling them to mix harmoniously with our society.

The state and all socioeconomic sectors should study and determine suitable jobs and occupations for war invalids and dependents of fallen combatants so appropriate guidance can be provided for them to undergo vocational training or improve professional skills. The state should also pay attention to war invalid-run production and business establishments. Meanwhile, an extensive study should be undertaken by all administrative echelons so appropriate policies on preferential treatment can be defined.

At present, the implementation of policies toward war invalids and families of fallen combatants in some localities is still restricted only to the payment of state subvention. This constitutes a narrow-minded way of thinking in the performance of this colossal task.

Along with developing many all-people forms of caring for those who have rendered services to the country, attention must be paid to providing them with educational and vocational training to create favorable conditions for them to overcome difficulties and stabilize their livelihood in the long term.

All systems and policies toward war invalids and families of fallen combatants or those having rendered services to the revolution should be modified and replenished in a way that suits the period of developing the multicomponent commodity economy.

By further expanding the social movement to care for war invalids and families of fallen combatants and by assigning or selecting people with a high sense of responsibility to work among those responsible for activities related to war invalids and social welfare, we will able to increase efficiency in these activities.

Apart from the care given by society, all disabled or ailing soldiers and dependents of fallen combatants should develop their revolutionary tradition in order to continue overcoming difficulties in the new stage while struggling against acts of negativism by a small number of people who seek to give credit to the meritorious services and belittle the law of the country. They should also strive to become model citizens and members of exemplary revolutionary families. This is aimed at contributing most positively to the stabilization and development of the country.

Australia

Evans Praises START Treaty, More Disarmament

BK0608102991 Hong Kong AFP in English 0954 GMT 6 Aug 91

[Text] Canberra, Aug 6 (AFP)—In a statement to mark Hiroshima Day, Australian Foreign Minister Gareth Evans called Tuesday for renewed global efforts to eradicate weapons of mass destruction.

The U.S.-Soviet Strategic Arms Reduction Treaty (START), signed in Moscow on July 31, was welcome because it "reduced rather than merely stabilised the number of nuclear weapons in existence," Evans said.

"Not since the cold war began 30 years ago has the strategic environment looked so bright and hopes for global peace and stability been so strong," he said.

But he added: "As the Gulf war so graphically illustrated to us all, the proliferation of weapons of mass destruction must be controlled."

Evans said the world has "come a long way" in the 46 years since the United States dropped the first atomic bomb on Hiroshima, foretelling the end of World War II.

"Many nations realise that their security cannot be guaranteed by military capabilities alone...

"Let us work to eradicate weapons of mass destruction from the face of the earth long before another half-century passes," he said.

Ministers Decry 'Subsidized' U.S. Wheat Sale

BK0608102191 Hong Kong AFP in English 1009 GMT 6 Aug 91

[Text] Canberra, Aug 6 (AFP)—The increasingly bitter wheat war intensified Tuesday as Canberra reacted angrily to another U.S. offer of heavily subsidised wheat to a traditional Australian customer, this time Yemen.

Trade Minister Neal Blewett and Primary Industries Minister Simon Crean expressed the government's "grave concern" over what they said was the United States' "largest ever offer of subsidised wheat to Yemen."

They told a news conference here it was a pity the United States had not consulted Australia prior to announcing the offer of 300,000 tonnes of wheat to Yemen under the U.S. export enhancement program.

The offer is a major blow to Australia's severely depressed wheat farmers who are forced to sell for almost double the price of subsidised U.S. grain.

Australia is traditionally Yemen's principal supplier, holding 60 percent of its wheat market in the last five years.

Blewett said messages from Washington had pledged that the United States would not harm Australia's interests.

But in the last six weeks the United States had undercut Australian grain sales in Kuwait and China, claiming they were aimed at countering subsidies by the European Community.

Blewett said the latest move was the most damaging yet, occurring where "the traditional market is clearest."

He said U.S. President George Bush had specifically promised last March to do his best to avoid hurting traditional Australian markets like the Middle East.

Blewett said he was "extremely angry" and warned that Australian wheat farmers could affect a visit to Australia in November by Bush.

In an apparent attempt to pre-empt Australian protests, the U.S. Agriculture Department said it had sought an assurance from Yemen that it would not cut its purchase of Australian wheat.

However, Blewett said the volume and price of Australian sales would be affected.

He was angry Washington had failed to consult, even though the offer appeared to run counter to the understanding Australia had on protecting its markets.

The Grains Council of Australia has also written to Bush, in effect accusing him of hypocrisy over wheat sales.

Grains Council President Andrew Inglis said he had told Bush Australia could not accept his assurances the United States had done its best to take Australia's trading interests into account.

He described the Yemeni offer as "an unmitigated slap in the face" for Australia and another breach of Bush's undertaking.

U.S. and Australian officials are to meet in Washington next week to begin a formal consultative process over subsidised grain sales.

The issue will also be raised Wednesday in Canberra when Foreign Minister Gareth Evans meets the U.S. Assistant Secretary of State for East Asia and the Pacific Richard Solomon.

Fiji

Government Turns to Israel for Military Supplies

BK0208065591 Hong Kong AFP in English 0648 GMT 2 Aug 91

[Text] Suva, Aug 2 (AFP)—Fiji has turned to Israel for some of its military supplies following suspension of defence ties by Australia and New Zealand, it was announced Friday.

The Fiji military forces has agreed to buy four coastal patrol boats from the Israeli Government and send 10 officers for training to Tel Aviv, said a government statement.

Australia was to supply its first aid patrol boat to Fiji in 1987, but after the military coups of that year Canberra suspended defence cooperation with Suva.

Fiji then turned to Israel, which since setting up diplomatic ties here in 1988 has been stepping up aid to the South Pacific.

The statement said the Israeli boats would cost 1.6 million U.S. dollars and were intended for maritime surveillance, for which local U.S.-built boats and New Caledonia-based French military aircraft are currently responsible.

Home Affairs Ministry military liasion officer Captain Patrick Powell said Fijian officers including engineers and weapon and electronics technicians would train with modern facilities aboard the vessels.

Papua New Guinea

Curfew Extended Two Weeks in Provinces

BK0608063091 Melbourne Radio Australia in English 0500 GMT 6 Aug 91

[Text] Curfew exposed in Papua New Guinea which was due to expire tonight has been extended for another fortnight. As Stephen Damian reports since early this year, Lae in Morobe Province, Mount Hagen in the Western Highlands, and Popondetta in Oro Province have been under curfew.

[Begin Damian recording] The curfew in these centers were imposed as part of the government measures to crack down on the deteriorating law and order problem. The curfew in Port Moresby has already been extended once and will hopefully end on 20 August and now Lae is being extended for another fortnight to 25 August, but cabinet who made this announcement has also reduced the number of hours in the curfew. It has been put to 9 at night, instead of 8, to 5 A.M.

Prime Minister Namaliu says the extension has a full support of the provincial government. The government also hopes the extension will give the police time to apprehend escapees and offenders and improve the law and order situation in Lae. [end recording]

Vanuatu

Prime Minister Loses Bid To Prevent Congress

BK0408104891 Hong Kong AFP in English 1022 GMT 4 Aug 91

[Text] Vila, Aug 4 (AFP)—Vanuatu's Prime Minister Father Walter Lini Sunday lost a bid to prevent a special Vanua'aku Party Congress this week during which his leadership is expected to be challenged.

Radio Vanuatu announced that after a day of deliberation the supreme court had dismissed a bid by Lini to have Wednesday's congress in Mele near here ruled illegal.

The court's decision clears the way for the congress which was called by the party's executive committee which contains sacked ex- Foreign Minister Donald Kalpokas and fired ex-Home Affairs Minister Iolu Abbil.

The agenda for the one-day congress is to elect a new executive committee including a new party president, who will become prime minister if the party wins re-election at a general poll scheduled for November. Until these elections Lini will remain prime minister if he loses the party presidency.

Lini's lawyer Kalkot Mataskelekele told reporters outside the court here that Lini accepted the court decision but would consider an appeal.

Lini, attending an Anglican synod in Luganville, said he was "surprised" the court dismissed his unpublicised appeal.

He called for the congress to be postponed for at least a week so delegates from outer islands could reach Mele in time.

Last week Lini called for delegates to boycott the congress and he is apparently afraid that those who supported this call cannot reach Mele in time.

While no challenger has openly expressed a wish to contest Lini's position it is widely expected that the prime minister since the former Anglo-French condominium of New Hebrides gained independence in 1980 will be challenged.

Kalpokas and Abbil, recently sacked for disloyalty, are tipped as likely contestants.

Kalpokas in a statement broadcast on Radio Vanuatu welcomed the court decision, saying: "This was not a surprise to the executive because we knew that the procedure followed by the executive was in agreement with the constitution of the party."

The party's executive called for the meeting on July 10 after four ministers were sacked following Lini's return from Australia where he was recovering from a heart condition.

Lini Sunday also announced that he would lift the ban he imposed last week on the media referring to the Mele congress.

The court ruled against Lini's claim that a motion passed in April at a party meeting declaring that the present executive council would remain unchanged until the next congress scheduled for 1992 implied that the Mele congress was invalid.

The court then ruled that the extraordinary meeting called by the executive committee was valid.